



Annual Report 2021



HumanKind Unlimited

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**Making gene therapy
accessible to all**

**Customer
Case Study**



**Convincing
test results in
Switzerland**

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This Is Biotage



This Is Biotage

Biotage, a global impact tech company, provides innovative solutions that streamline analytical testing, drug development and manufacturing, alongside water and environmental analysis. We help solve societal issues on a local and global level by working in a systematic, goal-oriented, and sustainable manner.

Everything we offer helps solve challenging issues facing society. Our customers work in a broad spectrum of industries, including pharmaceutical manufacturing, diagnostics, biotechnology, contract research and manufacturing, clinical, forensic, and academic laboratory research, and food safety, water quality, and environmental testing.

Our wide selection of effective, high-quality solutions plays a key role in streamlining our customers' workflows in pharmaceutical research, development, and manufacturing, as well as diagnostics, analytical testing, and water and environmental analysis.

At the same time, our products reduce our customers' environmental footprint, and Biotage is constantly finding ways to continuously lower the amount of solvents and consumables required by our products.

We are proud to contribute to sustainable science in order to make the world a healthier, greener, and cleaner place for humanity - a goal that is summarized by our ethos "**HumanKind Unlimited**".

This is where we're located

Biotage has 14 office locations in seven different countries. Our own sales organization encompasses 18 countries in North America, Europe, and Asia while our distribution network reaches countless additional countries in South America, Europe, Africa, the Middle East, and Asia. All in all, our products have a presence in over 80 countries.



Mission

We help our customers make the world a healthier, greener, and cleaner place.

Vision

Biotage does its part for the future of our planet by helping to shape the sustainable science of tomorrow.



A year of strong growth and improved profitability

The year ended with yet another quarter of record revenues, making 2021 our strongest sales year ever.

Double-digit organic sales growth was achieved in all markets. EMEA stood out with robust growth of 29%. The Scale-up and Biomolecules product segments outperformed, with solid organic growth numbers.

Over the course of the year, we also managed to increase our market share in aftermarket sales, an important cornerstone in our plans for future profitable growth, from 51% in 2020 to 53% in 2021. We are proud to say that 2021 was a record year - not just for sales, but also for our historically strong operating margin, which rose from 18.9% in 2020 to 22.0% in 2021.

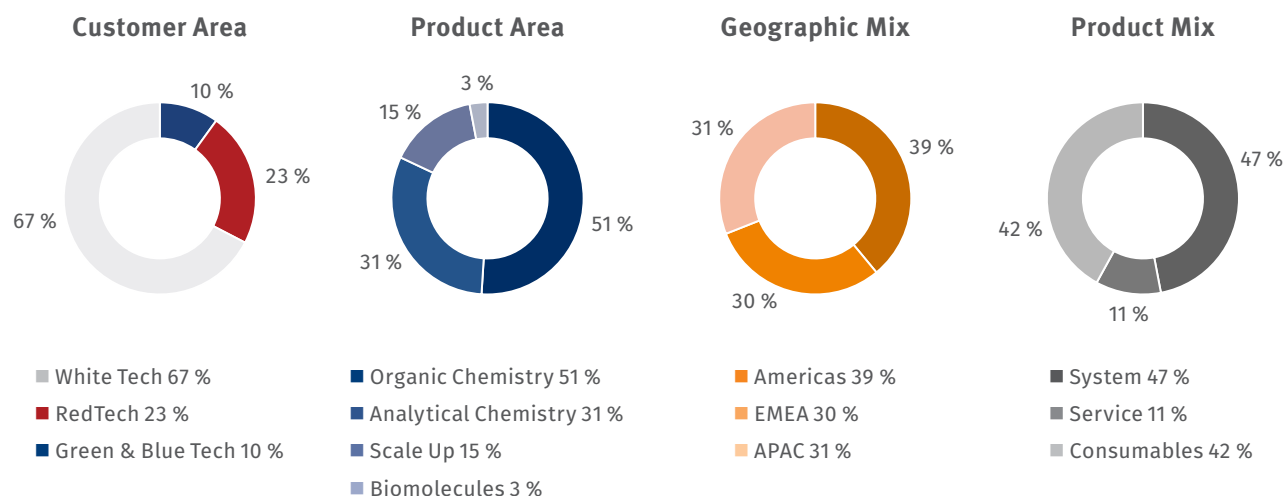
17.5 %

Organic growth

22.0 %

Operating margin

Key financial indicators	2021	2020	2019	2018	2017
GROUP					
Net sales, SEK millions	1,232	1,092	1,101	911	748
Growth in net sales, %	12.7	-0.8	20.9	21.8	12.0
Gross profit, million SEK	755	667	685	557	457
Gross margin, %	61.3	61.0	62.2	61.1	61.0
Operating margin, %	22.0	18.9	18.9	18.9	17.9
Profit margin, %	16.6	21.2	19.5	19.4	18.6
Profit before tax, million SEK	269	223	212	176	136
Total assets, million SEK	1,992	1,434	1,336	1,003	757
Equity/assets ratio, %	68.9	69.0	65.5	69.8	80.4
Capital expenditures, million SEK	341	61	86	178	38
Average number of employees	497	463	440	404	335
Return on equity (ROE), %	19.3	18.8	23.7	25.6	23.7
Return on capital employed (ROCE), %	25.7	19.9	23.2	25.2	23.3
Return on total capital (ROTC), %	21.4	16.7	18.4	20.3	18.8





2021 Financial Goals and Results

We continue to deliver on our long-term goals, with 2021 making a strong contribution.

Biotage aims for profitable growth at rates considerably above the market average. Through profitable growth, we can ensure strong returns for our shareholders while enabling reinvestment in the company to ensure our future success. In 2021, we delivered record sales and a historically strong operating margin. Over the past three years, we've managed not only to reach our goals, but to exceed them. We achieved strong growth in 2021 and built a solid base for future expansion.



Organic growth

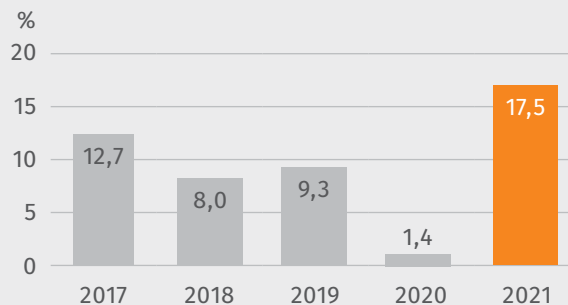
Goals

Organic growth is defined as revenue growth, excluding acquisitions and adjusting for exchange rate differences. Our goal is for average annual organic growth to equal 8% or more over a three-year period.

8%

Results

Organic growth of 17.5% was achieved in 2021. Over the last three years, the average organic growth rate was 9.2%.



Comment

The average market growth rate for the segments in which Biotage competes is estimated to be around four percent. Our growth targets call for the company to grow at a considerably faster rate than the underlying markets. One way to achieve this is to constantly seek out new market segments with attractive growth potential.

Profitability

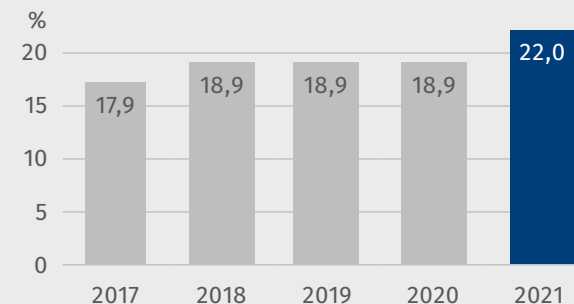
Goals

The profitability goal relates to earnings after depreciation and amortization (EBIT margin). Our goal is to achieve an average operating margin of 20% or more over a three-year period.

20%

Results

The operating margin in 2021 was 22.0%. Over the last three years, the average operating margin was 20.0%.



Comment

Biotage aims for a satisfactory level of profitability to enable investment in organic and inorganic growth and generate returns for shareholders.

Considering the favorable development of the business, the Board decided after the end of the financial year to update the long-term goals for the business. The growth goal is adjusted from 8% organic growth to 12% and the profitability goal of 20% operating margin is changed to 25% EBITA margin. The updated targets are assessed to be reasonable and to enable a continued good investment rate in the business and continued active evaluation of acquisitions.



Message from the CEO

We find attractive market niches to help solve issues faced by society

I am incredibly proud of how we continued to achieve profitable growth. In a year that was difficult to navigate from beginning to end, we've taken important steps on the road to becoming the global impact tech company that we envisioned.

Tomas Blomquist
CEO/President





In 2021, an extensive mass vaccination campaign improved the ability of people worldwide to weather the covid-19 pandemic. With our lipid purification scale-up solutions, Biotage played an important role in eliminating one of the bottlenecks in mRNA vaccine development and manufacturing. Toward the end of the year, a new wave of infections once again strained the healthcare system, leading to new restrictions in many countries. While we really don't know whether the Omicron variant will signal the inglorious end of this tumultuous period, we can always hope.

What we do know is that Biotage, in an uncertain environment with the pandemic wreaking havoc on global economies, managed to deliver on our commitments and meet our customers' expectations. In general, the pandemic posed significant challenges for the global supply chain. Almost no industry was spared from high shipping and raw material costs, severe shortages of critical supplies, and prolonged lead times. Increased costs have also affected us, but we managed to handle the situation superbly, and with a little extra effort managed to maintain our delivery schedules throughout the year.

In 2021, with record sales each quarter and stable margins, we've made great strides in reaching our overriding goal of profitable long-term growth. The numbers speak for themselves, and I can proudly say that Biotage recorded organic growth of 17.5% in 2021, smashing our target of 8%. As if sales growth were not enough, we also managed to grow profitably, with an improved operating margin (EBIT) of 22%.

By flexibly adapting to a rapidly changing environment, we managed to deliver growth in line with our "Build, Partner, Buy" strategy, where we collaborate to find new, innovative solutions, regardless of origin, to benefit both Biotage and our customers. Along with targeted training programs in one of our other focus areas, People First, rising profitability also allows Biotage to invest more resources into improving our digitalization and sustainability initiatives.



We're also proud of the fact that a higher level of interest was reported in Biotage as an employer."

Focusing on efficiency and sustainability

Biotage's customers ask for our solutions because we satisfy their needs when it comes to improvement and development of processes and workflows. At the same time, our solutions help our customers respond to stricter environmental regulations by allowing them to automate and streamline operations.

We have also continued our efforts to streamline our own business. In particular, we plan to reap the advantages of digitalization, standardization, and automation in our manufacturing. We've made good progress in this area at our facilities in Salem, US and San Jose, US, as well as our plant in Cardiff, UK.

By year-end, we finished relocating our column packing operation to a new, larger, more automated unit in Cardiff. We will continue to invest in expansion and modernization of this facility in 2022.

Hand-in-hand with these improvements, we're focusing intently on sustainability. Over the course of the year, we held sustainability discussions with our stakeholders, leading to the completion of a materiality analysis that now serves as a basis for our sustainability initiatives going forward. One of the decisions we made was to introduce a new manufacturing process in 2022 to reduce solvent use at our largest plant in Cardiff, where we also plan to generate renewable energy from solar panels.

New arrows in our quiver

Strategically, we're always analyzing what we should develop and manufacture in-house, based on our existing strengths and skills. Any gaps that we discover can be patched via partnerships or acquisitions. Thanks to our strong financial position, we're able to acquire companies in niche areas where we believe we can play a vital role in sustainably solving some of the key issues facing society, in line with our ethos "HumanKind Unlimited".



A perfect example is the acquisition this fall of the British company ATDBio, which provides us with important expertise and platform solutions in the rapidly growing DNA and RNA oligonucleotide synthesis and purification industry. This gives us a launch pad for future growth as we now have a chemical modality, which was previously missing from our product line, that will enable us to streamline customers' workflows. When combined with Biotage's strength in manufacturing processes and worldwide reach, ATDBio increases our potential for future growth.

A prior acquisition also bore fruit this year when we launched our innovative, automated platform for plasmid purification, Biotage® PhyPrep. This allows our customers to discover new patient treatment methods using biological drug compounds. The roll-out started on a small scale, but we're planning a widespread launch in 2022.

More customer-oriented organization

Biotage is now developing into a specialized, more customer-focused organization with a leaner, more decentralized structure. Instead of working independently, focused on distinct product segments, we're implementing an organization based on the customer segments White Tech, Red Tech, and Blue & Green Tech. This allows everyone focused on the same customer group to work together on a global basis, enabling us to offer our customers better turnkey solutions, where we benefit from our breadth and aren't limited to individual products. Moreover, this enhances our strategic decision-making as it clarifies

the areas in which we need to step up investment to employ our resources more effectively within each customer segment.

Another area of focus is our corporate culture. A goal-oriented company, Biotage can only achieve our objectives if all our employees and managers share common values and attitudes. In this respect, the pandemic has complicated our efforts to an extent as it's been difficult to meet in person. Nonetheless, we have clearly formulated and anchored our values and leadership model throughout the entire organization.

We're pleased to report that the results of the 2021 Global Employee Survey demonstrated that we're a company that focuses on and cares about people. We're also proud of the fact that a higher level of interest was also reported in Biotage as an employer. Our important work on culture and values will march onward in 2022.

We're creating "buzz"

In a reflection of our growth, just after year-end, Biotage uplisted to the NASDAQ Stockholm Large Cap index. Yet another confirmation that we're a growing company attracting a rising level of interest is the fact that a number of investment banks are now actively covering our stock, including: Berenberg Bank, Danske Bank, Handelsbanken, Nordea, and SEB.

A world in turmoil

Now that we finally appear to be emerging from the worldwide covid-19 pandemic, we're facing an increasingly grave situation that threatens world stability. Russia's invasion of the Ukraine affects everyone, and I'm saddened to report that we're once again entering an unpredictable, precarious period. From a purely business standpoint, the war in Ukraine has had little effect on Biotage, but now more than ever, we extend our thoughts and deepest condolences to the people of Ukraine.

In conclusion, I'd like to thank all our employees who performed at such an admirably high level and delivered outstanding results during a challenging year. Looking to the future, I can state that Biotage is truly in pole position when it comes to our future expansion. In other words, more is yet to come!



*Tomas Blomquist,
CEO/President*



This Is How Biotage Creates Value

Biotage is deeply committed to solving issues faced by society in a sustainable manner. With solutions based on technological innovation and science, we help our customers make the world a healthier, greener, and cleaner place.

The solutions that Biotage offers have either been developed in-house, in partnership with others, or been acquired and developed. Through product development and constant technical process and software innovation, we supply our customers with advanced solutions for molecular separation, chemical synthesis, analyte detection in a variety of matrix types, and custom oligonucleotides.

Our customers work in research, the pharmaceutical and diagnostics industries, healthcare, forensic medicine, food manufacturing and distribution, and environmental protection. What they all have in common is that they solve various issues facing society. Regardless whether the customer's business

is pharmaceutical development and manufacturing, diagnostics, or food, water, and environmental analysis, our solutions help make workflows streamlined and sustainable.

Biotage's recipe for success starts with a management team that enables and empowers our loyal employees. This leads to a growing number of satisfied customers, who solve the issues faced by society, and this in turn creates long-term value for our employees, customers, and shareholders, as well as society as a whole.

A values-driven company

Biotage's business is based on and governed by common values that we express in all our actions. Each of our employees undertakes to treat co-workers and the rest of the world equitably. Our values are summarized by the acronym "CARE". By this, we mean that we are a company that cares about one another, our customers, our planet, our climate, and humanity as a whole.



"CARE" stands for:

Collaboration

We're all part of the same team and treat one another with mutual respect and trust.

Accountability

We meet our commitments and take responsibility for our actions, which means we're constantly developing our skills and maintaining a positive attitude.

Result Orientation

We always focus on meeting customers' needs and reaching our financial goals while simultaneously ensuring that our value-creating activities benefit humanity.

Entrepreneurship

With an innovative corporate culture characterized by self-determination and openness, we bring the best out of our co-workers while making decisions based on the company's best interest.





Environment and Market



Megatrends – The world we live in

We are living in unprecedented times. In the last two years covid-19 has changed the way we live, work and act. This alteration of almost every aspect of our lives has also led technology to advance very rapidly, events that would normally develop over a few years now happen almost overnight.

Megatrends

The Purpose Generation

Impact Worldwide

New generations are increasingly valuing purpose and meaning at work, emphasizing the environment and diversity.

Biotage's response

Biotage has adopted a “people first” philosophy and aims at being a good and fair employer by:

- » Being deeply committed to solving societal issues in a sustainable way.
- » Compensating employees on embracing to our values as well as performance.
- » Empowering our employees, unleashing their passion for our customers.
- » Providing continuous training to ensure our employees grow and keep developing their expertise.



Increased Environmental Awareness

Impact Worldwide

The climate crisis potentially has enormous impact on the way we live and must be mitigated.

Biotage's response

- » Increasing our use of sustainable energy, one example of which is the investment in solar panels in our main manufacturing site in Cardiff, UK.
- » Limiting our own and our customers’ consumption of solvents, pollutants and other materials.
- » Developing products and methods to test for contaminants in water, soil and food.
- » Designing solvent reduction and monitoring of gas and energy consumption in our own products (Biotage® Selekt, Biotage® Sfär and Biotage® TurboVap 96 Dual).
- » By incentivizing the performance of the entire company on our ESG goals.



Digitalization

Impact Worldwide

Revolutionary new technologies are being developed and the pandemic has sped up their adoption.

Biotage's response

- » Offering digital education and distance support for both customers and employees.
- » Increasing production automation.
- » Expanding operation of our EDI solution in cooperation with our customers.
- » Improving connectivity and the digital customer experience.





Market Trends

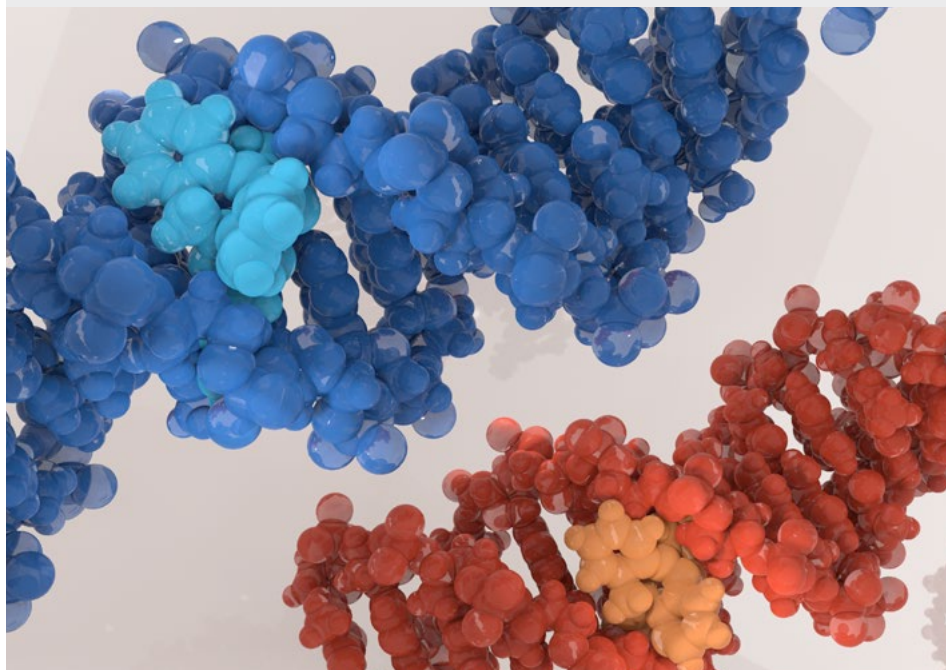
Precision Medicine

Impact Worldwide

Individualized medicine and mRNA treatments for various diseases.

Biotage's response

- » Solutions for purifying lipids for vaccines and other mRNA-based treatments.
- » Solutions for purification of plasmids and proteins for new drugs.
- » Workflow solutions for pharmaceutical production covering synthesis, purification (with possibility to scale up) and evaporation.
- » Synthesis of oligonucleotides for next generation DNA sequencing.



Biologicals and Advanced Therapies

Impact Worldwide

Increasing presence of biologicals in drug discovery and development.

Biotage's response

- » Acquiring ATDBio to support multi-modality drug discovery and development.
- » Innovative and unique system for automated plasmid purification for pharmaceutical research and development.
- » Completely automated solutions for protein purification, using patented groundbreaking technology.
- » Participating to the GeneNova consortium to support the expansion of the gene therapy with our technology and expertise.





Focus Areas

As a company, we have a clear mission, vision and strategy to reach our long term objectives. Every year, we identify key areas connected to our strategy upon which we want to focus, ensuring we deliver what is important for our customers and for the whole of society.



Sustainability

Sustainability is high on the Biotage agenda: it is part of the requirements when we design products to support our customers in reducing their impact on the environment, it makes its way into production as we continuously update manufacturing processes and our facilities, as we add greener sources of energy to our premises. It is also part of our growth, as we design products for carbon footprint monitoring and environmental testing, helping our customers protect food and water from contaminants and other risks.



Digital Transformation

Biotage has a strong focus on and is investing in digitalization, to streamline our internal processes as well as in the solutions we offer to customers. Our technology and software focus and quick adoption of the most suitable tools made it possible to keep supporting our customers from a distance throughout the pandemic. Going forward we continue our path towards increased digitalization and in doing so we will focus on cybersecurity to guarantee the safety of our company and of our customers.



People First

Biotage's employees are and remain our most important asset. We aim to empower employees who are committed to making an impact for society, for the environment and are passionate about innovation. We want them to live and breathe the CARE values of Biotage, supporting Collaboration and Accountability, while being Results oriented and displaying Entrepreneurship. In exchange, we offer a clear career path, a total compensation package and the possibility to continuously develop skills through our own Biotage Academy.



Customer Excellence

Biotage's customers are the ones working every day to make our world a healthier, greener and cleaner place. We strive to walk the extra mile to support them in their daily work and being a reliable and expert partner. We aim to create solutions and platforms that make their lives easier and help increase their operational efficiency and productivity, while at all times respecting the environment.



Growth

As a company Biotage has clear targets for growth. We want to keep developing faster than the underlying markets and we plan to do that both organically and through partnerships and acquisitions. We support our customers in their efforts to increase their operational efficiency and productivity, and when the way they work has to change due to some impacting event, like covid-19. We will continue to do this, keeping in mind our mission, to help our customers make the world a healthier, greener and cleaner place.



Geographic Markets

Biotage invests in a strong local presence throughout the world. We serve customers in three geographic markets: **Americas**, **APAC** (Asia-Pacific) and **EMEA** (Europe, Middle East & Africa). In 2021, these markets were affected to various degrees by the covid-19 outbreak and recovery phases.

As part of our efforts to implement a more unified, global, customer-oriented organization, we improved collaboration between our various markets, for example, through virtual product demonstrations across national borders. This simplifies and speeds up our work, not just on an internal basis, but also externally vis-à-vis end customers and distributors.

The pandemic continued to affect our business in 2021. Already in 2020, we noted increasing digitalization of our marketing and sales efforts, product demonstrations, distributor and customer training sessions, and certain service activities. This trend has continued, and we've generally noticed that there's more widespread acceptance of digital meeting modalities and working methods that's likely to continue, even after the pandemic.





Americas

39 %



The Americas market, the largest for Biotage in terms of sales, includes the US and Canada, where we have our own sales organization, and Latin America, where we sell through distributors. Following a period of declining sales during the initial phases of the covid-19 pandemic, growth has resumed and significantly picked up, especially toward the end of 2021.

Rapidly expanding system sales

Consumption by customers in White Tech (drug development and manufacturing), Small Molecules, Peptides, and Biomolecules once again increased after experiencing declines the prior year. At the same time, we saw explosive growth in customer investment in hardware and instruments, which led to a higher increase in system sales relative to consumables. Nonetheless, our strategic goal of a 60/40 ratio in favor of aftermarket products remains intact.

Sales of our chemical synthesis, purification, and evaporation systems broke all-time records, with strong growth over the course of the year. This was attributable to changing requirements due to new procedures at labs to reduce the risk of contagion, the availability of new economic relief funding, and our adaptation of the product line in response to the new market conditions.

Recovery in Red Tech and Blue and Green Tech

In 2020, the Red Tech segment (analytical drug and clinical testing) was impacted by a significant reduction in sample throughput for everything but covid-19 testing, where Biotage's solutions are not utilized. However, in 2021 the segment slowly recovered quarter-by-quarter. Toward the end of the year, sales of consumables began to exceed pre-pandemic levels as non-covid medical testing, drug testing, and other types of analyses returned to normal. Also here, we achieved record levels of system sales.

In the Blue & Green Tech segment (analytical water and environmental testing), the pandemic-related decline arrived later compared to other segments since the sales cycles are longer for this kind of testing. The beginning of 2021 was therefore weak, partly due to lower regulatory requirements for water quality sampling during the pandemic. The trend reversed over the latter half of the year, and we could see that the local market was recovering robustly. Our work in PFAS incidence analysis and the potential of our products in the food safety market feels timely and should create opportunities for us going forward.

New talent added

In the highly mobile US job market, employee turnover has been high over the course of the year. However, this was also a positive as the company received an infusion of new talent that's brimming with energy and new ideas. As this turnover allowed us to recruit in line with the company's new identity, it should strengthen us going forward. In 2021, the Americas organization led the charge when it came to implementing a more customer-oriented organization.



APAC

31%



In APAC, we have our own sales organizations in China, Japan, South Korea, and India. In the other markets, we sell through distributors. In 2022, we plan to establish a new commercial hub in Singapore to serve ASEAN (Association of Southeast Asian Nations) member countries.

All APAC units delivered double-digit growth in 2021, with the strongest performances in China and India. The White Tech segment enjoyed strong overall performance thanks to more targeted sales to pharmaceutical, biotechnology, and contract research companies. Red Tech sales exploded in China thanks to our strategic partnerships and successful business development efforts.

During the year, growth was robust in consumables, especially in India and China. System sales likewise increased. The growth was greatest in this area in Japan, while China and India also delivered strong numbers.

Strong position in China

Biotage benefits from a strong position in the Chinese market, where domestic pharmaceutical companies and CROs continue to invest. We've supported new and existing customers' growth by offering powerful systems and valuable insight into this rapidly growing market. Our focus on solving our customers' problems and providing a high level of customer service has paid off and contributed to strong growth.

Biomolecules in Japan

In Japan, we've seen an increased willingness to invest in new technology. After we launched our Biotage® PhyPrep biomolecular platform for plasmid purification this year, Japanese customers purchased several of the first systems we sold. We also started local partnerships to open the door to future PhyTip consumable sales. During the year, Biotage successfully held a number of digital seminars that were attended by over a hundred participants.

Pharmaceutical investments in South Korea

Sales to the South Korean public sector suffered from lawmakers focusing on crisis measures to counter the pandemic rather than investments in research. However, as investment in the pharmaceutical industry continued at a brisk pace, following the crisis of 2020, our sales increased. In particular, we've seen rising interest from the rapidly growing biotech industry, and Biotage is investing in various sales activities to reach out to these companies.

Growth in White Tech and Red Tech in India

Biotage's business in India experienced rapid growth in both White Tech and Red Tech in 2021. We enhanced our market position by funneling more resources into growing our aftermarket sales and focusing on delivering consumables and outstanding service to our customers to improve their efficiency. This has created opportunities for add-on sales. In addition, India has supported the European markets by helping with virtual demonstrations of instruments and solutions.



EMEA

30 %



Biotage has its own sales organization in place throughout the majority of Europe. To serve markets in Eastern Europe, the Middle East, and Africa, we employ a network of 24 distributors in 32 countries.

In 2021, we delivered strong growth in EMEA, outperforming the overall market. We hired new personnel and allocated more resources in order to successfully exploit the potential of this growing market.

Consumables experienced rapid growth in 2021. The increase came from both Biotage's direct sales force and our distributors. System sales also rose significantly, especially in the direct sales markets.

Eliminating customer bottlenecks

During the first year of the pandemic, we maintained our relationships and scaled up as opposed to down. This led to an increased level of sales in 2021 once customer demand returned. Biotage's sales are helped by our attractive value proposition: our

technology often solves bottlenecks in our customers workflows. At the same time, the trend toward remote work and social distancing in the workplace has increased the demand for automated solutions. When, at the same time, we can prove that a new technology can lower the usage of organic solvents in manufacturing and reduce the environmental impact, it's an eye-opener for many customers.

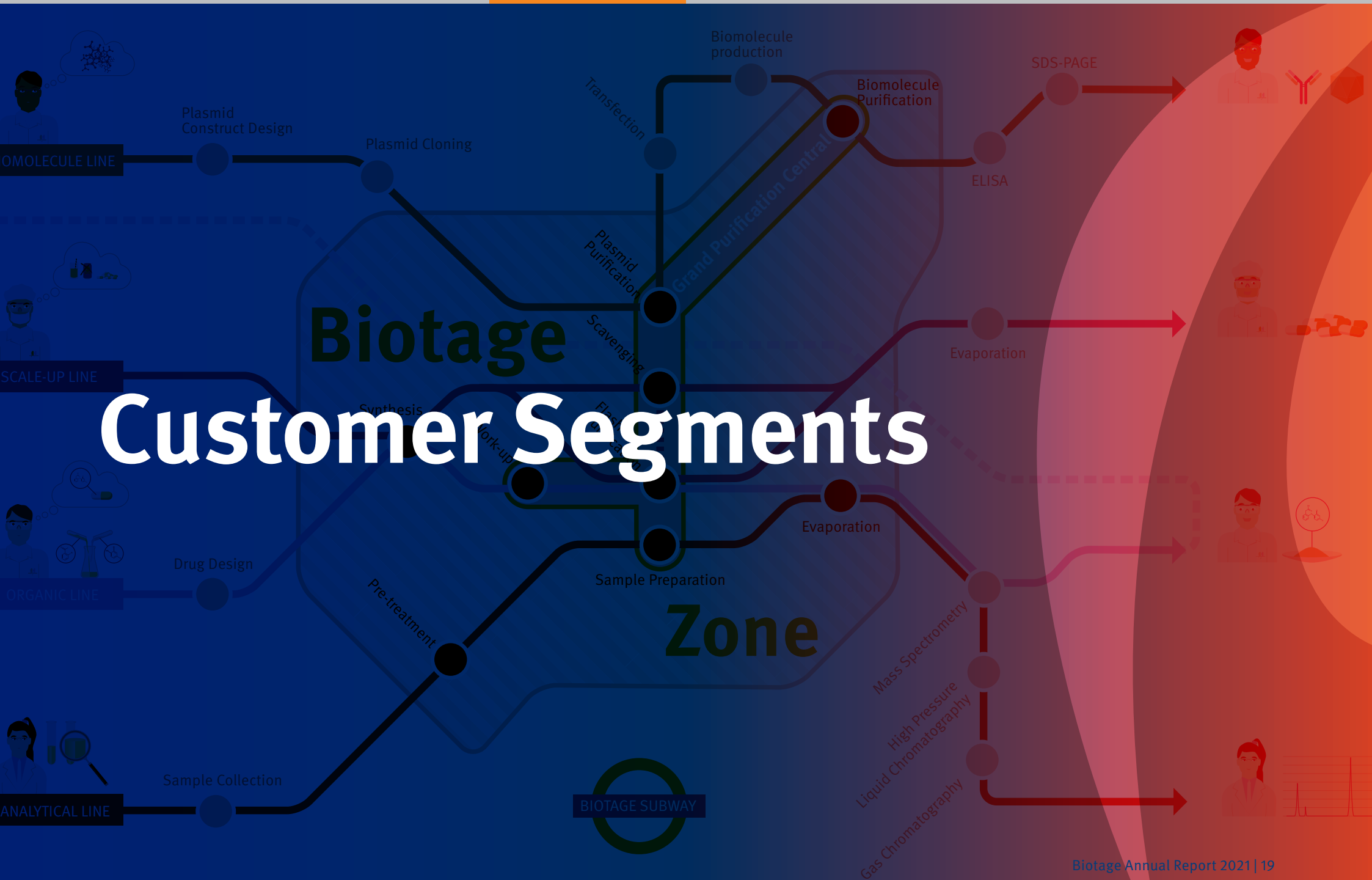
White Tech experienced rapid growth

While all segments contributed to our growth in 2021, the strongest performance was seen in White Tech. Among our larger customers, we noted an increased number of projects and more outsourcing from many pharmaceutical companies. This industry has been focused on shorter lead times and more specialization from contract manufacturing partners. Therefore, these companies stand to gain in a big way by streamlining their workflows through the use of Biotage systems in multiple facilities. We launched Biotage® PhyPrep and new solutions for peptide workflow to respond to the industry-wide trend toward automated workflows that enable more rapid drug development.

Biotage's intense focus on customer needs led us to invest in expanded manufacturing capacity for industrial-scale columns for lipid production. By helping scale up the production of this crucial raw material for mRNA vaccines, we helped eliminate a bottleneck in the mass production of a number of vaccines that are helping the world fight covid-19.

Successful distribution business

Our Red Tech sales of both instruments and consumables through distributors has risen significantly thanks to our targeted focus on forensic and toxicology labs in multiple countries. Since we were forced to remotely support our distributors, due to the pandemic, we adjusted our strategy and streamlined our support. We focused on a limited number of distributors and allowed them to implement new tools, for example, our proprietary Biotage Academy knowledge platform. This enhanced knowledge transfer and strengthened our mutual relationship.

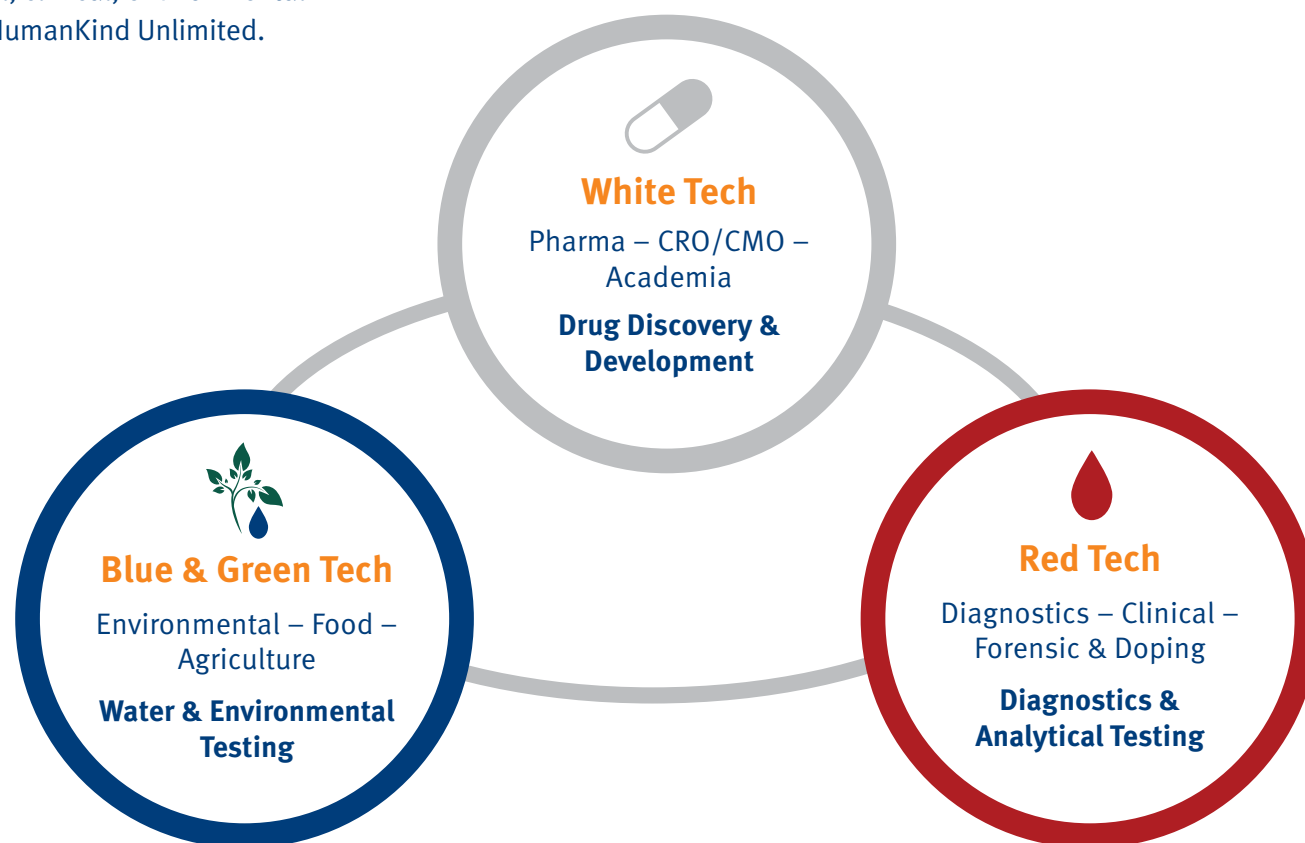




Customer excellence

Biotage's mission is to help our customers make the world a healthier, greener and cleaner place. To achieve this we provide them with a wide set of solutions ranging from tools and services for drug discovery and development to products, methods and applications for analytical, clinical, environmental and food testing. All this is in line with our ethos – HumanKind Unlimited.

Our portfolio of solutions is very wide and so is our customer base. They span a wide range of activities – including the pharmaceutical and diagnostic industry, biotech, contract research and manufacturing as well as clinical, forensic and academic laboratories; in addition to organizations focused on food safety, clean water and environmental sustainability. To better meet the needs of each customer group we have divided them into three focus areas: **White Tech**, **Red Tech** and **Blue & Green Tech**. These areas are presented on the following pages.





White Tech

Drug research, development, and manufacturing

Our customers in this focus area are active within the pharmaceutical industry, contract research/ manufacturing and academic research. The white color symbolizes a pill, which is often the end result of our customers' operations.

Biotage has a solution regardless of whether the customer's drug is based on a chemically synthesized molecule or of biological origin in the form of proteins, plasmids or viral vectors.



Our typical customers

- » **Pharmaceutical companies** that discover, develop, and produce drugs with the aim to treat patients, and in the era of personalized medicine, identify the most suitable treatment for each patient.
- » **Contract Research Organizations (CRO) and Contract Manufacturing Organizations (CMO)**, are companies and institutions that support the pharmaceutical and/or biotechnology sectors with outsourced services. A CRO typically provides research & development services, while a CMO focuses more on manufacturing.
- » **Academia**, universities, research institutions and foundations that focus their research efforts on the discovery and development of new drugs and new treatments.

How we help them

- » We automate multiple steps of otherwise manual drug-discovery workflows.
- » We provide them with workflow solutions to improve reliability and productivity.
- » We reduce solvent consumption, helping them to make the workflows greener and more sustainable.
- » We support them in scaling up their process when a drug candidate has been identified and is proceeding into pre-clinical and clinical testing, triggering the need for larger volume solutions.





Important solutions and product platforms:

Biotage® Initiator+ and Biotage® Initiator+ Alstra for organic molecular and peptide synthesis, Biotage® Selekt with Biotage® Sfär columns for purification, and Biotage® V-10 Touch for evaporation of solvents represents the most typical example of a workflow.

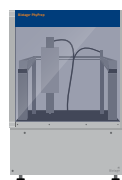
Our scale-up separation solutions, Biotage® Flash 75, Biotage® Flash 150, Biotage® Flash 400 systems and their associated columns are used daily by pharmaceutical companies, chemical companies and consumer goods manufacturers to deliver their larger scale production.

In 2021, Biotage launched Biotage® PhyPrep, the world's first automated plasmid purification system on the Maxi, Mega and Giga scale. We also offer high throughput biomolecule purification solutions for proteins, plasmids and viral vectors with our Biotage® PhyTips.

The acquisition of ATDBio in 2021 adds important knowledge and platform solutions within the area of DNA and RNA oligonucleotide synthesis and purification to Biotage.



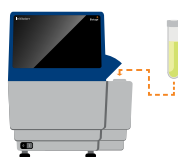
Biotage® PhyPrep



Biotage® PhyTip



Biotage® Initiator+



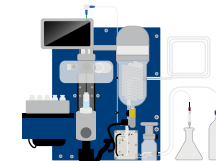
Consumables



Biotage® Selekt



Biotage® V-10 Touch



Synthesis

Work-up

Purification

Evaporation

Customer
Case Study

Making gene therapy accessible to all

An example of Biotage's efforts to support White Tech customers in the improvement of their workflows is our active participation in the Swedish GeneNova project.

In the past few years, there has been a dramatic evolution and interest in the development of gene therapy drugs. However, the promise of curative treatments for life-threatening diseases are currently hampered with high costs of up to two million US dollars per dose.

GeneNova is a five-year, multidisciplinary project co-founded by the Swedish innovation agency Vinnova, in which the Royal Institute of Technology in Stockholm and an extended group of companies and universities are contributing cutting-edge technologies to address the steps throughout the Adeno Associated Virus (AAV) process workflow. The objective is to develop a platform for the bioproduction of AAV-based gene therapies by tackling a multitude of current limitations, to target a highly efficient, sustainable and scalable manufacturing process. The goal is to reach a

100-fold improvement in production efficiency, addressing the high production costs and contributing to a democratization of the access to gene therapy.

Within the scope of this project Biotage will work to develop more efficient and effective plasmid and AAV purification solutions. Biotage is funding a full time PhD student within the GeneNova framework. Supporting this project will offer Biotage possibilities to develop new innovative technical solutions within the fast-growing area of AAV processing and gene therapy. It will also offer opportunities to further deepen strategic collaborations with the project industry partners and academic institutions and develop new application data for the development of next generation Biotage solutions.





Red Tech

Diagnostic tools and analytical testing within clinical, forensic and doping labs

Within the Red Tech area, our customers use analytical chemistry to investigate which chemical substances are in, for example, patient or forensic samples. The red color signifies blood, in many cases the substance to be analyzed, but analysis can involve other matrices, such as hair, saliva, skin or urine.

Biotage offers automated systems and a wide range of consumables with high specificity for separating selected substances from samples. We have an array of fully developed methods for sample clean-up, and often work together with customers to develop new methods to fulfill their needs.

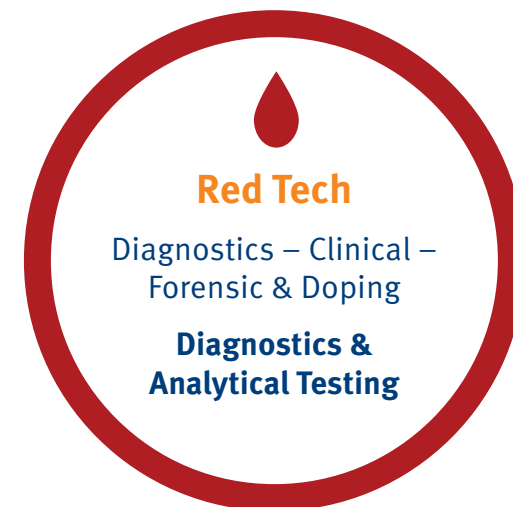
Analytical analysis are often used in areas regulated by strict law and regulatory requirements, where patient safety is of paramount importance. Therefore, the tests also follow strict protocols to provide safe and fully reproducible results.

Our typical customers

- » **Diagnostics companies** that work with tests or assays for diagnosing or detecting a disease, disorder, medical condition, and utilize analytical chemistry methods, solutions and oligos services (e.g. PCR testing).
- » **Hospital and clinical laboratories** that carry out tests on clinical specimens to obtain information about the health of a patient to aid in diagnosis, treatment and disease prevention.
- » **Academia**, universities, research institutions and foundations that are required to perform tests on samples to assess effects of a newly developed drug or identify the presence of a specific analyte.
- » **Doping laboratories**, are involved in detecting doping in biological fluids or tissues from athletes or animals.
- » **Forensics laboratories**, analyzing evidence generated in criminal and civil cases.

How we help them

- » We provide expertise and reliable products for implementation of new analytical methods.
- » We speed up analyses and reduce costs through modern and efficient workflow solutions.
- » We produce configurations for a wide range of scales and throughput.





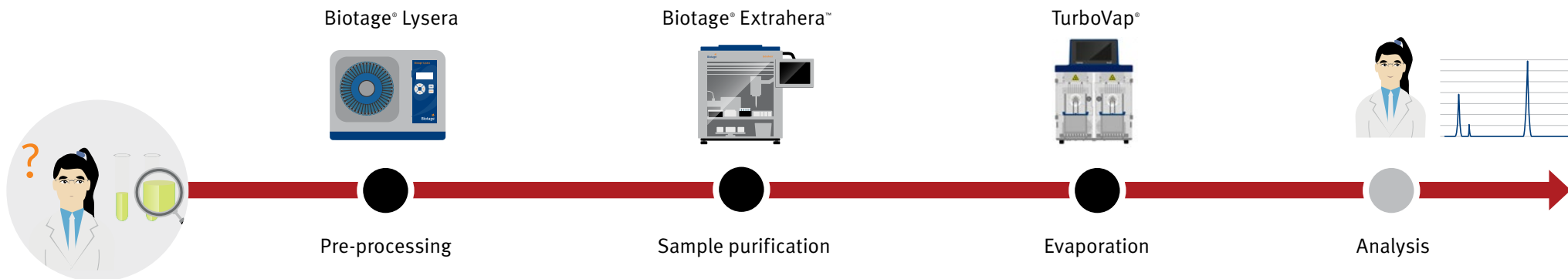
Important solutions and product platforms:

Biotage® Extrahera™, automates sample processing with engineered precision, and provides our customers with a compact sample preparation system, designed for speed, flexibility and with the end user in mind.

In 2021 we added a new member to the Biotage® TurboVap® family of evaporators: TurboVap® 96 Dual (official launch date Q1 2022). TurboVap® blowdown evaporators use a patented vortex evaporation system that increases the speed of evaporation.

Whatever the sample preparation needs of our customer we have a solution.

- » EVOLUTE® EXPRESS
Solid Phase Extraction products
- » ISOLUTE® SLE+
Supported Liquid Extraction products
- » ISOLUTE® PLD+
Protein and Phospholipid Removal products
- » ISOLUTE® PPT+
Protein Precipitation products





Blue & Green Tech

Analytical Testing in Environmental and Water Laboratories

Within the blue & green tech area, our customers use analytical chemistry to investigate which chemical substances are present in a sample, such as water, environmental or food samples. The blue color represents water and the green signifies agriculture.

Biotage offers automated systems and consumables with high specificity for separating selected substances from samples. We have extensive experience in developing products for sample reprocessing for chemical analysis, which follows established protocols or practices in the industry. One example are the environmental analysis methods issued by the U.S. Environmental Protection Agency (EPA), which regulate exactly how a test should be performed and specifies which products may be used.

Our typical customers

- » **Environmental and government laboratories** that carry out analysis by testing matrices like water, soil, air etc. to identify contaminants that could affect the environment, humans and wildlife.
- » **Food testing laboratories, analytical laboratories or institutes** responsible for performing testing on food to assist manufacturers and governmental agencies in finding target allergens, contaminants or in determining the quantity of a certain analyte in ingredients, raw material or finished food products.
- » **Academia**, universities, research institutions and foundations that focus their research effort on food and the environment and are often required to perform tests on samples to identify the presence of a specific analyte or contaminant.

How we help them

- » We help them understand their workflow.
- » We support them in meeting regulatory requirements, tailor customers' throughput and optimize their workflow.
- » We provide solutions for each sample preparation step.
- » We offer manual or automated solutions according to the customer's needs.





Important solutions and product platforms:

Biotage® Horizon 5000 is a three-position automated disk extraction system that conditions the disk, loads the sample (20 mL to 2 L) and elutes the analytes all without user intervention.

The Biotage® Horizon 3100 Oil & Grease Extractor automates the entire extraction process and is fully compliant with US EPA Method 1664A/B and Standard Methods 5520G.

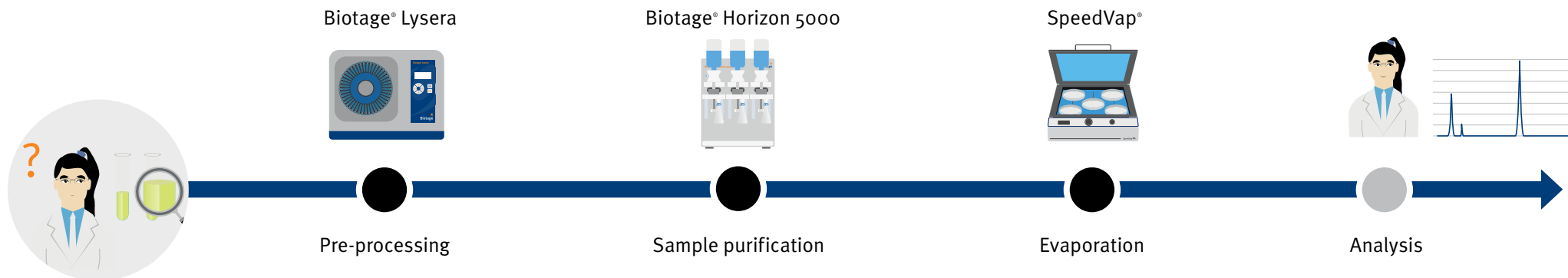
Biotage offers smart sample preparation solutions for simplifying sample handling and clean-up of the difficult samples, typically found in food and agricultural applications.

The Biotage® Extrahera™, automates sample processing with engineered precision, provides our customers with a compact sample preparation system, designed for speed, flexibility with the end user in mind.

Biotage® Lysera helps in the homogenization of challenging matrices prior to sample preparation and extraction. Extrahera™ is a powerful, user-friendly automation system for Supported Liquid Extraction (SLE), Solid Phase Extraction (SPE), Phospholipid Depletion (PLD) and Protein Precipitation (PPT) based methods, in both plate or column formats. The TurboVap® family supports customers in performing fast sample evaporation.

To complement our systems we have a broad selection of consumables to target, for examples mycotoxins, acrylamide, food contaminants, veterinary drugs, and pesticides.

- » ISOLUTE® Myco SPE columns offer simple and efficient multiple mycotoxin sample preparation from a wide range of matrices, ideally suited for selective and fast LC-MS/MS analysis.
- » ISOLUTE® SLE+ Supported Liquid Extraction plates and columns are designed to provide stress-free extraction of analytes from biological fluids, with high analyte recoveries, and clean, protein and phospholipid free extracts.
- » ISOLUTE® ENV+ is ideal for extracting polar analytes from large volume water samples.





Sustainable Development



Making a Difference

As a global impact tech company, Biotage aims to help solve diverse societal issues in a sustainable manner. For this reason, we plan to perform active sustainability work in areas where we have the greatest impact on the environment. This includes monitoring the effects of our products and employees and operating our business in a responsible, ethical manner.

Through innovation and applied science, Biotage helps our customers make the world a healthier, greener, and cleaner place. Our solutions facilitate more efficient development of new medical treatments and rapid, reliable diagnostics and streamline water, foodstuff, and environmental analyses.

In all our activities, we try to minimize the impact of our business on the climate and the environment. You can read more about our business model on page 4 under “This Is Biotage”.

Based on straightforward values and ongoing outreach, we make every effort to ensure that our employees thrive, are committed to their jobs, and enjoy a safe, healthy working environment.

Thanks to active governance procedures, Biotage operates with high professional ethical standards and follows strict internal controls to ensure compliance with relevant laws and regulations.

Stakeholder discussion and materiality analysis

In 2021, Biotage held a stakeholder discussion, where we conducted a global qualitative survey, interviewing important customer, supplier, investor, and employee representatives in order to understand their views and priorities with respect to various sustainability topics. Based on the results, Biotage later performed a materiality analysis, which forms the basis of our sustainability initiatives going forward.

The materiality analysis uncovered the areas that are most worthy of attention and indicated where Biotage can have the greatest impact. This analysis will help us set and prioritize our goals when it comes to environmental impact, social issues, and corporate governance.





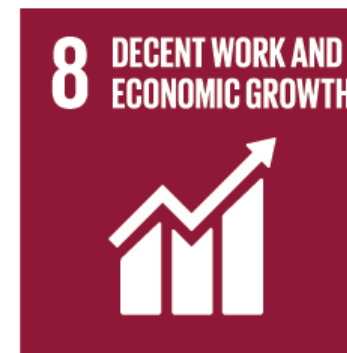
Biotage and Agenda 2030

Biotage supports initiatives focused on the UN’s 17 Sustainable Development Goals and has identified a number of objectives where the company has a clear impact.

Customer usage of Biotage’s diagnostic and drug research and manufacturing solutions helps us to meet **Goal 3: Good health and well-being**. Our solutions are also used to analyze water quality, food safety, and the environment, which helps us to meet Goal 3 and **Goal 6: Clean water and sanitation for everyone**. Since Biotage’s solutions help customers operate their businesses with less impact on the environment than other alternatives, we also help fulfill **Goal 12: Sustainable consumption and production**. Our efforts to diminish any negative impact on the environment and climate from our own manufacturing facilities are associated with this goal.

Goal 8: We contribute to **respectable working conditions and economic growth** through our long-term, inclusive, sustainable economic growth, internally as well as externally with respect to suppliers, with dignified working conditions for everyone.

We have also started adapting our developmental processes, including industrialization, in a manner that helps us to meet **Goal 9: Sustainable industry, innovations, and infrastructure**.





Sustainability Focus Areas



How our products and services affect the environment

Biotage supplies our customers with advanced solutions that help them solve issues faced by society. Our goal is for everything we develop and deliver to streamline customers' workflows and reduce their environmental impact. We always strive to make our products cleaner and more efficient throughout their entire life cycle. In manufacturing, we're actively working to lessen our impact on the climate and reduce our consumption of water, chemicals, and energy.



Employees

Biotage is a value-driven organization where employees are given a high degree of personal freedom and responsibility. We're committed to diversity and equal opportunity along with a physically and psychosocially safe, healthy working environment. Team spirit and a strong sense of loyalty are fostered through common goals and values clarifying the company's expectations. We eagerly embrace employees' opinions, ideas and encourage everyone's participation, feedback, and suggestions dialogue.



Responsible, ethical business relationships

For Biotage, it's important to be a responsible partner to all our customers, suppliers, and stakeholders. This is anchored by our common corporate culture and clear leadership. To ensure a high standard of business ethics and compliance with laws and regulations, we implemented a Code of Conduct based on a number of global policies. Our Supplier Monitoring System also allows us to evaluate and inspect our suppliers. We have a whistleblower system that allows concerns and improprieties to be reported by both employees as and external partners.



How Our Products and Services Affect the Environment

At Biotage, we help solve various issues facing society, and we're pleased to say that we have a strong, positive impact on the environment. We always strive to minimize the impact on the environment of our products, manufacturing, and other activities.

Biotage's molecular separation and chemical synthesis solutions have a variety of positive effects on society. Our wide-ranging solutions for drug development and manufacturing streamline customers' workflows and have less impact on the environment than alternative methods.

When our products are used for analytical or diagnostic testing in clinical, forensic, and academic labs or the diagnostics industry, for example, they make it possible to discover illegal doping, correctly diagnose healthcare patients, or process vital evidence in a criminal investigations. Not to mention that our solutions are also used in environmental protection, food safety, and agriculture to analyze water and environmental samples to discover poisons or contaminants such as the presence of PFAS in groundwater, soil, or food.

In Fall 2021, Biotage acquired the British company ATDBio, which supplies custom DNA and RNA oligonucleotides. This technology holds enormous promise for personalized medicine and can be

used in applications such as drug development, molecular diagnostics (such as PCR tests), and new therapy modalities. Chemically-produced synthetic RNA is also required for the Nobel-prize winning genome-editing technology known as CRISPR/Cas9, which is used in gene therapy and a number of other cutting-edge applications.

Innovation to reduce our environmental impact

Biotage invests heavily in innovation, and we're constantly developing new solutions. We're always introducing improvements to our existing hardware, software, and consumable solutions. Sustainability is an important area of focus, and we always strive to reduce the environmental impact from customers' use of our products. The product life cycle is one important aspect. Can we extend our products' life cycles through upgrades so that we reduce the amount of waste and emissions? Lowering solvent and water usage among customers is also a vital concern.

Biotage collaborates with various life sciences networks and local communities to collectively discover new solutions that lessen environmental impacts.





The environmental impact of our manufacturing and other activities

Our business also has an impact on our surroundings due to the effect that our product manufacturing has on the climate and environment. This impact is due to energy, water, solvent, chemical and material usage in manufacturing, as well as waste generation and transportation.

Biotage's largest manufacturing facility is located in Cardiff, UK. The plant is ISO 9001 and 14001 certified. We plan to implement environmental and quality management systems in all our manufacturing facilities. In 2021, two new plants were built in Cardiff and opened for operation; the new facilities comply with our strict requirements for smooth workflows, with the least possible environmental impact.

Solvent consumption

Solvents are used in our manufacturing processes. In 2021 we reduced our consumption by 9% relative to 2020. The reduction was due to modified demand and changes in our product mix, alongside ongoing process optimization work.

To lower our consumption of solvents, we work constantly on improvements to our manufacturing processes.

Energy use and affect on the climate

The main environmental impact from our manufacturing operations stems from energy consumption. In 2021, we implemented more detailed monitoring and reporting of our energy usage to establish a baseline for measuring progress made from targeted measures.

In Cardiff, energy consumption rose 14% over the previous year, while overall production increased by 20%. Energy consumption therefore declined relative to production value. Over the course of the year we continued to invest in expand our manufacturing capacity, adding new manufacturing equipment. Biotage is working to reduce the impact of our own business on the climate by using more renewable energy. At our main office in Uppsala, solar panels

generating 59% of the property's electricity were installed this year. In 2021, we also decided to install solar panels at manufacturing facilities in Cardiff.

So-called "scrubber systems" have also been installed to eliminate air pollution emissions from our manufacturing processes.

Biotage conducts ongoing assessments to determine the likelihood of any climate crises affecting the business, since extreme weather phenomena are becoming ever more common and the climate changes, with higher temperatures and precipitation. In our opinion, floods, earthquakes, and other weather phenomena are a constant risk. For this reason, we identify alternative suppliers, develop crisis management systems, and update our Emergency Response Plans.



Reducing water usage and waste

In 2021, Biotage implemented detailed monitoring of water usage and waste production. Once we've established a baseline for our environmental impact in these areas, we can perform targeted improvement measures to reduce water consumption and waste production.

Biotage is actively working to reduce the overall amount of waste and increase recycling. We've made great strides in waste recycling. Our largest manufacturing facility in Cardiff now recycles 63% of its waste.

At the same time, we're working on incorporating recycled materials into our packaging wherever feasible, without compromising stability and pressure resistance.

In 2021, the amount of recycled waste increased by 19% while other non-hazardous waste recycling increased by 46%. We've collaborated with our suppliers to optimize waste sorting. During the year, the company's non-hazardous waste removal suppliers provided assurances that 100% of this waste would be recycled into energy.

Shipping and business travel

To minimize freight-related climate and environmental impact, Biotage uses surface transport, wherever possible, instead of air transport. Most shipments to the US are sent via sea freight. However, for some shipments, air transport is hard to avoid due to low production volumes, the high value of the goods, and/or time constraints. This applies not only to shipping within Europe, but also to the US and Asia.

Increasing digitalization has allowed us to reduce the amount of business travel in our sales and aftermarket activities. Since a higher proportion of our meetings, customer demonstrations, product and software upgrades, and customer education is conducted remotely, there's less impact on the climate. In 2021, we implemented a new travel policy to individually evaluate needs based on both the environment and personal circumstances.





Two Examples of More Sustainable Chromatography

Both CordenPharma and Croda have concluded that Biotage's solutions for pharmaceutical and vaccine ingredients save resources, and are more efficient and sustainable than traditional methods.

Customer Case Study

Convincing test results in Switzerland

Industrial-scale chromatography is often the only available solution for purifying the valuable ingredients that go into pharmaceuticals. For many drug manufacturers, it's easier and more effective to develop their own proprietary technical solutions. However, it's difficult to optimize them to achieve the highest efficiency with the least environmental impact.

Biotage supplies commercial systems specifically designed for manufacturing environments. These provide customers with an attractive alternative that allows them to achieve efficient workflows, while significantly reducing solvents use and materials compared to other alternatives.



EXPERTS TAKING CARE

When contract drug developer and manufacturer CordenPharma performed full-scale testing at their plant in Switzerland, comparing chromatography using the Biotage® Flash 400 system, with its pre-packed columns, to their existing traditional method, the results were convincing to say the least! The reason that they performed the test was that their existing proprietary process was a costly part of their workflow and required time-consuming maintenance of their filtration equipment.

Biotage's solution only required a third of the amount of time required by the old system. Operating costs were halved, and manufacturing results improved by 15.2%. Not to mention, the results were much better from an environmental standpoint: 5,400 liters less solvent were used. Process waste was reduced by 5.5 cubic meters while silica consumption declined by almost 93%, from 550 kg to just 40 kg.





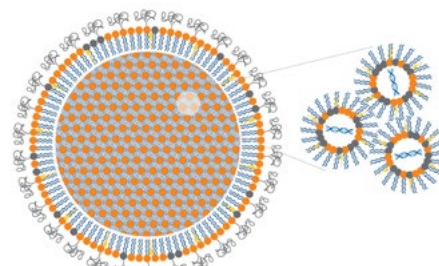
Customer Case Study

Lipid purification rapidly scaled up

It's often challenging for a lab to switch on short notice from a traditional synthetic process to a more commercially-oriented, streamlined process. In 2020, faced by an ongoing humanitarian health crisis from the global spread of covid-19, specialty chemical manufacturer Croda presented Biotage with exactly this challenge.

CRODA Health Care

Once industrial-scale manufacturing of mRNA vaccines commenced, there was global demand for the required raw materials. One of these ingredients was lipids, which are used in lipid nanoparticles that act as carriers to transport the large mRNA molecules across cell membranes. Croda needed to design and scale up their lipid purification process using chromatography. By working with the Biotage team and the industrial-scale Biotage® Flash 400 purification platform, they were able to succeed in the endeavor. In just four months, the processes were scaled up from development to manufacturing.



The collaboration resulted in a stable, commercial manufacturing process that saves Croda valuable time while using significantly less solvent than their existing, traditional method of lipid purification. Thanks to a new type of high-performance silica, the columns were able to be utilized more effectively, yielding a more highly concentrated end product, while further reducing solvent consumption. Overall, Croda managed to reduce their solvent consumption by an astounding 91% compared to their existing process.

They were able to reduce their environmental impact even further after discovering technical solutions that allowed them to dispense with the more harmful solvents used in their original synthetic lab procedures. The company was able to replace these with less hazardous solvents that are optimized for this particular type of purification. Furthermore, the process was simplified, with fewer steps, which increased their manufacturing efficiency. Biotage helped eliminate an important bottleneck in global vaccine manufacturing.

“A great example of how two teams of people came together and used smart science to improve lives.”

Rebecca Murray, Croda





Employees

Biotage is a value-driven organization that believes in personal freedom with responsibility, where every employee's loyalty, career ambitions, insight, and skills are appreciated. We're committed to diversity, equal opportunity, and a safe, healthy workplace environment.

Biotage has become a global organization, acquiring and integrating a number of companies in various countries over the course of the years. Nevertheless, we're still characterized by our Swedish identity, especially when it comes to providing employees with a high degree of personal freedom and responsibility. Within the limits set by our organization, employees are often able to make their own decisions.

This personal freedom necessitates that we clarify our expectations of employees and ensure that conditions are in place to promote cohesiveness and a strong sense of loyalty and commitment. Therefore, we track our employees well-being and commitment by means of a global employee survey as well as smaller, focus group surveys on specific topics as needed.





In 2021, Biotage conducted a global employee survey with a response rate of 92%. 74% of the responses demonstrated a high level of commitment. The same percentage of respondents indicated that they would recommend Biotage as a workplace.

We also carried out a smaller survey on our sustainability initiatives and asked employees for their opinions. In all, nearly 40% responded, and we were able to use the results as part of the basis of our materiality analysis, which underpins strategic priorities for Biotage’s sustainability initiatives.

Common values

Biotage is a value-driven company. In our ongoing work, we're guided by common values that all our employees are expected to embrace in their actions, both internally and externally. These values are based on conversations and interviews with a large number of employees and managers throughout the world.

In Spring 2021, we also conducted broad, global focus group discussions on values and our ethos “HumanKind Unlimited”. In all, over half our worldwide workforce participated in this exercise, which will serve as an important basis in our efforts to anchor these common values throughout our organization.

Biotage’s values are contained in the acronym “CARE” (Collaboration, Accountability, Result Orientation, and Entrepreneurship), and you can read more about them on page 10.



Skill framework and career development

In 2021, Biotage created a framework to define skills and detail positions throughout the company describing their seniority levels, job families, and subgroups. The framework makes it possible to compare compensation and benefits, for comparable positions, throughout the world and ensures that we offer equal working conditions to our employees on a global basis. This clarifies both job positions and career development opportunities within various professional fields and seniority levels. At the same time, a new system for personnel evaluation and performance-based compensation has been developed.

We use our own online platform, Biotage Academy, for internal skills development and training on policies, processes, and product handling. This is available to all employees and offers a simple, effective way to acquire any needed professional knowledge applicable to a specific job.

Equal opportunity for everyone

Biotage believes that everyone has equal value and should be treated the same. At the same time, employee diversity is a success factor that we strive to achieve. Our Code of Conduct, Equal Opportunity Policy, and local guidelines for each country clarify our commitment to treat all employees equally, regardless of gender, ethnicity, religion, or sexual preference. Our Equal Opportunity Plan is revised on an annual basis, to assess our progress and incorporate additional measures.

Biotage works to ensure equal pay as far as possible. In Sweden and the US, we conduct an annual wage survey to identify unjustified compensation gaps between genders. The 2021 Swedish survey demonstrated a Gender Equality Index of 97.3, where 100 equals complete equality and the Swedish average was 95.8. Biotage plans to conduct equivalent surveys in all countries.





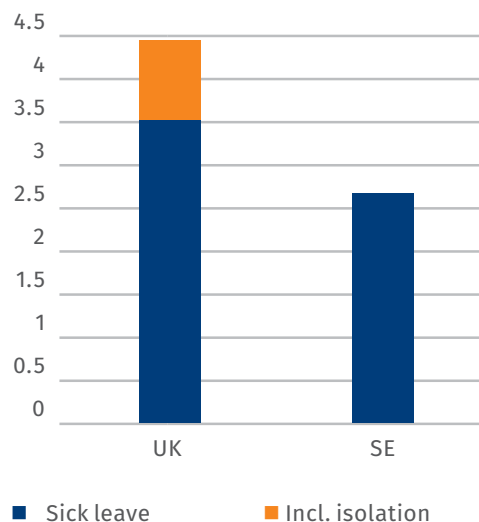
Leadership and the workplace environment

In 2021, we developed a new leadership model that can be summed up by the acronym “JEDI” (Judicious, Enabling, Daring, and Inclusive). Along with introducing the model, we updated a number of processes associated with recruitment, promotion, employee evaluation, career development, and succession planning. In Spring 2022, training on the leadership model will be carried out on a global basis.

Biotage aims for a safe and healthy workplace environment from both a physical and psychosocial standpoint. To this end, we approach workplace environment issues in a systematic and structured manner, in accordance with international standards and local legislation. Our efforts are based on a workplace environment policy that we’ve updated this year to shed more light on reporting, control, and monitoring procedures.

In 2021, we held a training day at our Swedish locations on workplace environment issues. Our largest manufacturing facility in Cardiff has a separate HS&E department that monitors working practices and procedures to ensure compliance. HS&E monitors incidents and “near misses” in order to proactively avoid future incidents. The primary focus of the department is on reducing the number of accidents. Thanks to educational initiatives and preventive measures, the number of accidents declined by roughly 40% over the past five years,

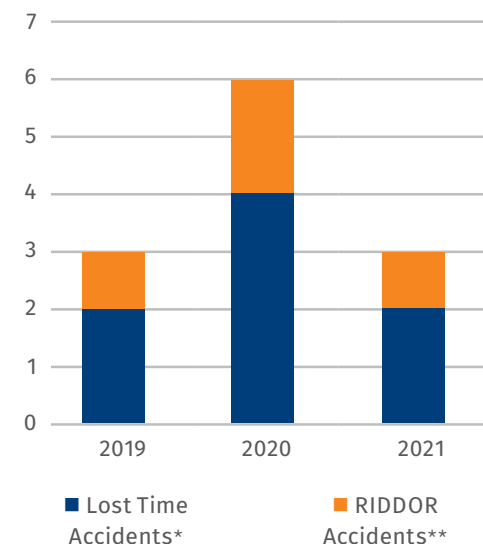
Sick leave - UK and Sweden



Sick leave for Cardiff, which is our largest facility, and Sweden is shown above.

down by 25% from 2020 to 2021. While the ultimate goal is always zero workplace accidents, we plan to reduce their number of accidents by at least 40% in 2022 compared to 2021. We also monitor sick leave in the company. At our largest facility in Cardiff, sick leave averaged 3.5% in 2021. Including pandemic-related isolation and quarantine days, the overall figure rose to 4.4%. The results were considerably better than expected. In Sweden, sick leave was 2.6%. Our policies associated with topics such as alcohol, drugs, and discrimination are also

Accidents in Cardiff - last 3 years



* Lost Time Accidents include accidents where the victim was absent due to the accident.

** RIDDOR (the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations) is a British law that addresses the duty of an employer to report serious accidents.

part of our health and safety initiatives. We make sure that employees throughout the organization are thoroughly acquainted with the policies through new employee orientations, periodically implementing updated policies, making the information available via our Intranet network, and focusing on them during Workplace Environment Committee meetings.



Since Biotage is a global company, the workplace conditions are governed in accordance with our policies and comply, at a minimum, with the requirements of each country's laws in this area. Employees have the right to organize, and we encourage cooperation between employers and employees on a global basis.

In 2021, we were strongly focused on mental health due to the pandemic and the stress caused by it. We published useful information on the subject on our Intranet, along with tips on how to lower the risks.

Our global employee survey included questions on the company's handling of the pandemic, and the result was overwhelmingly positive. 74% felt that the situation was handled well, and over 80% felt that their immediate manager did a good job in keeping the team together.

Employee-related risks

The risks we see in relation to our employees primarily involve employee turnover, which we noted has increased during the second year of the pandemic, and a shortage of critical skills. We also see risks associated with resources that we require to adapt our business to new reporting and monitoring requirements.

To ensure the availability of skills throughout the organization, we carry out succession planning for critical roles, on an ongoing basis, in order to ensure that specialist skills are shared by multiple individuals.

We try to reduce these risks by constantly monitoring the situation in the workplace on an individual as well as aggregate level via our annual employee surveys. We also conduct exit interviews to identify areas for improvement.





Responsible, Ethical Business Relationships

Biotage's governance and internal control functions are highly correlated with our work on corporate culture and leadership. They are designed to ensure that we take ownership of our responsibilities to stakeholders – employees, suppliers, customers, and our local communities where we operate.

Governance of sustainability initiatives

Biotage is a signatory to the UN Global Compact on social responsibility, environmental care, and anti-corruption. In addition, we support the ILO's Fundamental Conventions and the OECD's Guidelines for Multinational Enterprises. Biotage also has an official document that reveals how we work to counteract and uncover modern slavery and human trafficking. This outlines the requirements that we impose on our suppliers in this area, defining a process for identifying human trafficking, child labor for suppliers in high-risk countries.

The CEO has the ultimate responsibility for governing and monitoring Biotage's sustainability initiatives. The Sustainability Manager, part of the management team, is responsible for coordinating these activities. This work is supervised by an internal Sustainability Council, consisting of members responsible for environmental, social, and governance aspects of sustainability, respectively. We also have a working group within each of these domains. The sustainability initiatives are supported by Biotage's common

Code of Conduct, a whistleblower policy, company guidelines (for example, the Travel Policy and the Automobile Policy), sustainability goals, and a dedicated channel for sustainability initiatives.

In 2021, EcoVadis performed an independent external inspection of Biotage's sustainability work. EcoVadis is a global assessment company that has inspected and ranked roughly 10,000 companies on their sustainability. Biotage's inspection led to a "gold medal", placing us in the top 5% of companies inspected by the organization.





Updated Code of Conduct

Biotage's Code of Conduct summarizes our commitments to our stakeholders. It encompasses environmental, social and ethical perspectives. The code describes our ambitions, how we collaborate with and influence stakeholders, and the control routines Biotage has in place. For example, anti-corruption policies, competition rules, product safety, and contributions to the local communities where we operate, in the form of tax payments and jobs.

Management has the ultimate responsibility for ensuring that the Code of Conduct is complied with and updated as needed. Regional Managers in each geographic market are responsible for ensuring that the code is implemented and complied with during everyday operations in their markets. In 2021, we updated, revised, and clarified the Code of Conduct, and all employees will undergo digital training on its contents and meaning. By the end of the year, 79% of our employees had completed this training. In the future, all employees will undergo comparable training on the Code of Conduct on an annual basis.

Anti-corruption

Biotage has a zero-tolerance policy when it comes to corruption. We have a separate policy concerning anti-corruption and bribery, which is part of our Code of Conduct. Gifts, influence, compensation, or personal favors may only be offered to third parties if they are of insignificant value. In order to maintain sound business ethics and minimize risk, processes

have been put in place in all countries and subsidiaries to identify high-risk transactions and potential risks, as well as establish authorization routines for functions such as payment approval.

Global whistleblower policy

Biotage strives to have an open, transparent corporate culture, where individuals feel comfortable filing a report or claim about misconduct. We have a separate whistleblower policy, which is part of our Code of Conduct. If there's any suspicion of improprieties, employees are to report this first to their manager, their manager's manager, the HR department, or corporate management. Biotage also has a global whistleblower system, through which employees, customers, and other business partners are given the opportunity to report any improprieties.

Control of suppliers

Biotage has a system for inspecting and evaluating suppliers in order to ensure that they comply with our Code of Conduct. We verify that new as well as existing suppliers comply with this code when it comes to business relationships, environmental considerations, and social responsibility.

[Code of Conduct](#)

If suppliers violate the Code of Conduct, it's followed up on, and they're given the opportunity to remedy any breaches. If they still fail to comply with the requirements, then their relationship with Biotage is terminated. Annual risk evaluations are performed to identify risks on a group as well as supplier level.





Auditor's Opinion Regarding the Statutory Sustainability Report

To the General Meeting of shareholders of Biotage AB

Duties and allocation of responsibilities

The Board of Directors is responsible for the FY 2021 sustainability report on pages 28-42 and for ensuring that it is drawn up pursuant to the Annual Accounts Act ("årsredovisningslagen").

The focus and scope of the review

Our review has been carried out in accordance with FAR's [Swedish Association of Authorized Public Accountants] recommendation RevR 12 - The auditor's opinion on the statutory sustainability report. This means that our review of the sustainability report has a different focus and a considerably smaller scope compared to the focus and scope of an audit pursuant to International Standards on Auditing and best auditing practices in Sweden. We believe that this review provides sufficient grounds for our statement.

Statement

A sustainability report has been prepared.

Uppsala, April 7, 2022

Öhrlings PricewaterhouseCoopers AB



Leonard Daun

Authorized Public Accountant



Financial Statements



The Share

Biotage's ordinary shares were traded on Nasdaq Stockholm's Mid Cap index until the end of 2021. As of January 2022, Biotage was moved to the Nasdaq Large Cap index. Biotage's ordinary shares are traded under the name Biotage AB (BIOT). The number of ordinary shares outstanding as of December 31, 2021 amounted to 65,983,775 (65,201,784). Based on the closing price per share on December 30, 2021, Biotage's market cap amounted to SEK 17,288 (9,063) million. Biotage has an additional share class, C shares, which were all issued and repurchased during Biotage's LTIP 2020 and LTIP 2021 incentive programs.

Share price development

In 2021, Biotage's share price rose 88 percent from SEK 139 to SEK 262. The highest closing price in 2021 was SEK 289.6 per share, which occurred on December 8. The lowest closing price was SEK 139.90 per share, which occurred on March 5. In 2021, 20.9 million shares (38.9 million) traded for a market value of SEK 4,225 (5,425) million. The turnover rate for the year was 32 (60) percent

Shareholders

The number of known Biotage shareholders on December 31, 2021 was 7,708 (7,504). The 15 largest owners accounted for 48.1 (51.6) percent of the total capital and number of votes. Foreign owners accounted for 36.9 (53.9) percent of the total capital and votes. The largest foreign ownership was from Norway, the US, France, and the UK.

Authorization to issue shares

At the 2020 Annual General Meeting (AGM), the Board was authorized to adopt the issue of shares and/or convertibles on one or more occasions.

Dividend policy and dividends

Biotage's dividend policy requires at least 50 percent of the earnings per share (EPS) after tax to be distributed to shareholders.

In 2021 dividends of SEK 1.50 per share were paid. The earnings per share in 2021 amounted to SEK 3.13 (2.69). The Board intends to recommend that the AGM adopt a dividend of SEK 1.55 per share, corresponding to 50 percent of profit.

The Share

Ownership categories, December 31, 2021

Owner	Number of shares	Share of capital, %	Share of votes, %
Swedish institutional owners	22,834,622	34.4%	34.6%
Foreign institutional owners	23,872,526	36.0%	36.2%
Private individuals in Sweden	5,524,207	8.3%	8.4%
Others	1,244,901	1.9%	1.9%
Repurchased shares	486,565	0.7%	0.1%
Anonymous ownership	12,507,519	18.7%	18.9%
Total	66,470,340	100.0%	100.0%

15 largest known owners, December 31, 2021

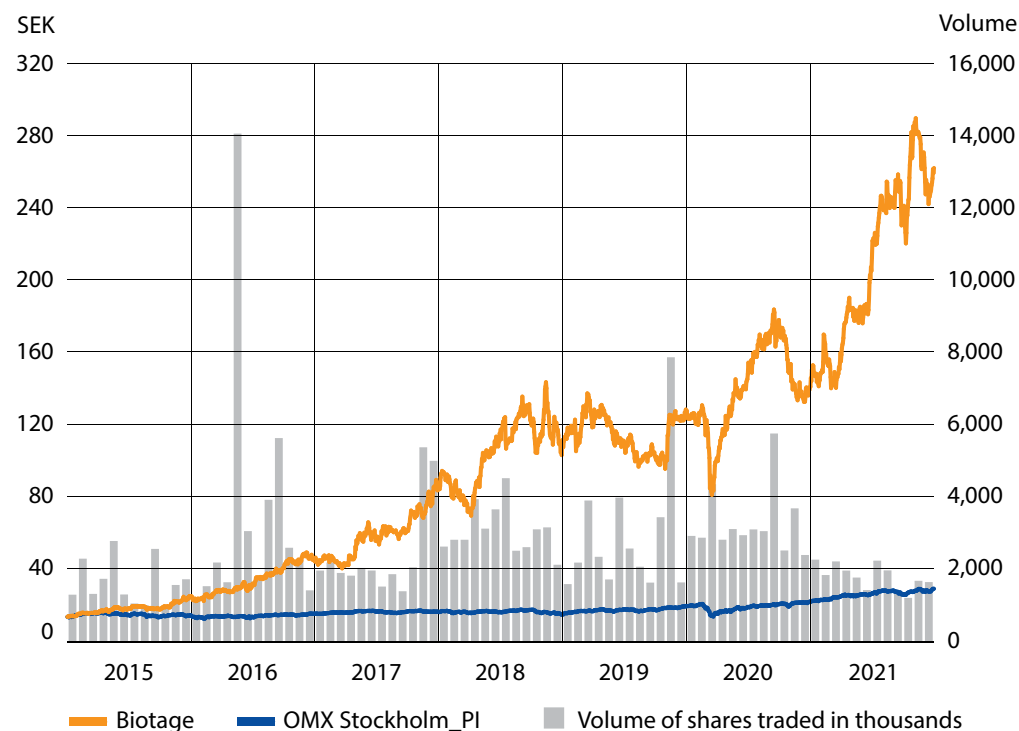
Owner	Number of shares	Share of capital, %	Share of votes, %
Swedbank Robur funds	6,282,895	9.5%	9.5%
SEB funds	5,071,988	7.6%	7.7%
Handelsbanken Fonder AB	3,771,861	5.7%	5.7%
Invesco	3,288,552	5.0%	5.0%
ODIN funds	3,000,000	4.5%	4.5%
Vanguard	1,997,860	3.0%	3.0%
Montanaro	1,716,000	2.6%	2.6%
The Third Swedish National Pension Fund	1,732,703	2.6%	2.6%
Norges Bank	1,405,921	2.1%	2.1%
Lannebo funds	1,171,919	1.8%	1.8%
BlackRock	1,107,315	1.7%	1.7%
Didner & Gerge funds	1,078,922	1.6%	1.6%
TIN funds	1,019,964	1.5%	1.5%
Groupama Asset Management	978,686	1.5%	1.5%
Dimensional Fund Advisors	824,922	1.2%	1.3%
Total	34,449,508	51.9%	52.2%

Source: Monitor Finans

Shareholders grouped by size, December 31, 2021

Number of shares per owner	Number of known shareholders	Share of capital, %	Share of votes, %
1 - 1,000	6,686	1.8%	1.8%
1,001 - 10,000	821	3.8%	3.8%
10,001 - 100,000	145	6.6%	6.6%
100,001 - 500,000	36	12.2%	11.6%
500,001 - 1,000,000	7	7.7%	7.8%
1,000,000 -	13	49.2%	49.5%
Anonymous ownership	N/A	18.7%	18.9%
Total	7,708	100.0%	100.0%

Change in price per share and volume



Source: WebFinancial Group



Board of Directors' Report

About the Company

Biotage is a Global Impact Tech company that is deeply committed to solving societal problems. We offer solutions for customer work flows within research and production of drugs and diagnostics, analytical testing, and water and environmental analyses.

We are proud to contribute to sustainable science in order to make the world a healthier, greener, and cleaner place for humanity, promoting the concept of HumanKind Unlimited.

Our customers span a broad spectrum of market segments ranging from drugs, biotechnology, diagnostics, contract research and contract production for clinical, forensic and academic laboratories, and organizations focused on food safety, clean water and environmental sustainability.

Biotage AB, headquartered in Uppsala, Sweden, is the Parent Company of the Group and has wholly-owned subsidiaries in Sweden, the United Kingdom, Germany, France, Italy, Switzerland, the United States, Japan, China, South Korea and India. The Biotage ordinary share is listed on Nasdaq Stockholm.

Summary of business activities in 2021

A number of business activities were affected by the covid-19 pandemic in 2021. Some activities are still distinguished by decreased sales whereas others have enjoyed increased sales due to the pandemic. Biotage has been a supplier to producers of mRNA vaccines, which has meant increased sales within the Scale-up product segment, in particular. Certain geographic markets have been subject to stricter lock-downs than others for parts of the year. As many markets have reopened, sales have increased. This applies to both geographic markets and certain product markets.

In the wake of the pandemic, global supply chain challenges remain, with no signs of waning. For Biotage, these challenges concern both logistics and component shortages. It is worth mentioning that Biotage has largely met the supply chain challenges thus far.

The Group grew organically by 17.5 percent. Average growth for the most recent three-year period was 9.2 percent, compared with the company's financial target of 8-percent growth over a three-year period. At the regional level, Americas was the largest market, with 39 (42) percent of net sales, while APAC accounted for 31 (32) percent and EMEA 30 (26) percent.

All production areas grew, with the strongest growth in Scale-Up, which grew by 35 percent. In 2021, Biotage began the launch of PhyNexus automated separation solutions for plasmids in maxi-mega-scale and giga-scale, which deepens the offering in the important and growing product area of Biomolecules, where the full impact of the launch is expected to be reached in 2022.

Biotage's profitability increased, with an operating margin of 22 percent, up by 3.1 percent compared with the previous year. The average operating margin for the most recent three-year period increased to 20 (18.9) percent. The target is an average of 20 percent over a three-year period. The gross margin amounted to 61.3 (61.0) percent.

Earnings and cash flow

The Group's net sales increased by 12.7 percent to SEK 1,232 (1,092) million. Using comparative exchange rates and adjusted for increased net turnover by 17.5 percent. The gross margin increased to 61.3 (61.0) percent. The margin has benefited first and foremost from higher market sales with higher gross margin, higher sales in the product areas with higher gross margin, and a higher share of consumables.

Operating expenses were SEK -483 (-461) million. Distribution costs increased by SEK 17 million to SEK -287 (-270) million. Some of the previously reported distribution costs in the US have been reclassified as administrative expenses. Figures for the comparative period have been restated. See also note 31. Administrative expenses increased by SEK 12 million to SEK -117 (-105) million. The increase largely consists of transaction costs related to the acquisition of ATDBio. Research and development expenses increased by SEK 19 million to SEK -91 (-72) million. Other operating items amounted to SEK 11 (-13) million, consisting primarily of currency effects on operating liabilities and receivables.



Board of Directors' Report

Operating profit increased by 31.7 percent to SEK 271 (206) million, corresponding to an operating margin (EBIT) of 22.0 (18.9) percent. To better follow Biotage's underlying profitability, adjusted operating profit is also reported. This is the operating profit adjusted for transaction costs and costs related to additional consideration concerning ATDBio, Ltd. Adjusted operating profit amounted to SEK 283 (206) million and the adjusted operating margin amounted to 23 (18.9) percent. See also note 27.

In light of the acquisition of ATDBio and amortization of goodwill arising from acquisitions, Biotage will continue to report the measure EBITA (Earnings Before Interest, Taxes and Amortization) to show the effects of this amortization separately from operating profit. EBITA was SEK 284 (216) million. Adjusted EBITA was SEK 296 (216) million.

Net financial items amounted to SEK -2 (17) million. The change is explained primarily by a major revaluation of the additional purchase consideration for PhyNexus, Inc. during the comparative year, but also by currency effects. Recognized tax expense increased to SEK -65 (-47) million. The increased tax expense is attributable to the increased profit before tax and non-recurring tax effects in connection with the acquisition of ATDBio, Ltd. Profit after tax increased by SEK 30 million to SEK 205 (175) million, an increase of 16.7 percent. Cash flow from operating activities increased by SEK 74 million to SEK 353 (279) million.

Balance sheet items and financial position

The Group's cash & cash equivalents totaled SEK 311 (371) million on December 31, 2021. Interest-bearing liabilities concerned loans in the scope of a revolving credit facility of SEK 150 (110) million and lease liabilities of SEK 53 (52) million. Net cash, which also includes SEK 46 (52) million in calculated additional consideration concerning the acquisition of PhyNexus amounted to SEK 61 (157) million. The primary reason for the reduction of net cash is the acquisition of ATDBio, Ltd., which was largely paid in liquid assets, and the dividends paid.

The Group's reported goodwill amounted to SEK 741 (290) million on December 31. The increase is predominantly due to the acquisition of ATDBio, Ltd. The goodwill is also attributable to the acquisitions of PhyNexus, Inc. and Horizon Technology Inc. in 2019 and 2018 respectively, and the acquisitions of MIP Technologies AB in 2018 and two product lines from Caliper Life Sciences Inc. in 2010.

Other intangible assets amounted to SEK 313 (251) million, including SEK 128 (122) million attributable to capitalized development expenses. The remaining part is primarily attributable to identified surplus values related to acquisitions.

Equity amounted to SEK 1371 (990) million on December 31. The change in equity for the year is mainly attributable to net profit of SEK 205 million, currency effects of SEK 67 million on the translation of foreign subsidiaries and dividends of SEK -98 million to shareholders and a new share issue to the sellers of ATDBio, Ltd. Share capital increased during the year by a total of SEK 1 million over two new share issues, a new issue of C shares to secure delivery of shares to the participants in the performance-based share program LTIP 2021, and a new share issue to the sellers of ATDBio, Ltd, as part of the purchase price for the company. The newly issued C shares were immediately repurchased and held in the company's possession awaiting the outcome of LTIP 2021.

Investments, depreciation and amortization

Investments amounted to SEK 341 (62) million, including investments of SEK 58 (62) million in non-current assets and SEK 282 (-) million in acquisitions. Depreciation, amortization and impairment amounted to SEK 75 (74) million. Capitalized development costs accounted for SEK 30 (38) million of the investments and SEK 24 (22) million of the depreciation, amortization and impairment.

Research and development

The Company's strategy for research and development is market-driven. Development of innovative products is an important instrument of competition and a way of creating opportunities for continued growth. Efforts are mostly aimed at developing new products by improving existing technology and adding new functionality. In the short term, the continuing development of the system platforms and new applications for existing products are key growth drivers. This investment level was 7.9 (8.4) percent in 2021. Capitalization amounted to SEK 30 (38) million. About one-tenth of the research and development budget is allocated to innovative research on new concepts, and Biotage collaborates with academic research groups within this framework.



Intellectual property rights

Biotage uses its intellectual property rights as a commercial instrument to create competitive advantages. Patent protection is sought for strategically important results, including processes, synthesis and analysis methods, products and applications. In addition to filing patent applications, the Company seeks to register its intellectual property rights in the form of design protection and trademarks. Biotage regularly evaluates its own portfolio of intellectual property rights on a cost-benefit basis. Biotage actively monitors the external environment and third-party intellectual property rights to ensure the Company does not infringe on the rights of others and other parties do not infringe on the rights of the Company. At the end of the year, Biotage had 214 (227) registered patents and 76 (70) patent applications, divided into 62 (66) patent families. During the year, 8 (26) new patents were granted and 4 (2) new patent applications were submitted.

Personnel

In 2021, the Group had an average of 497 employees (full-time equivalents). Within the framework of the Group's systematic work environment procedures, Biotage performs risk analyses and annual reviews to ensure a good physical and social work environment. Biotage has had relatively low sick leave over the years. Sick leave (including long-term sick leave) for all employees in the Swedish companies was 2.6 (3.1) percent. The Company invests in fitness activities and is prepared to act quickly and take measures should an employee suffer ill-health. In addition to its Work Environment Policy, the Company has an Alcohol and Drug Policy, Anti-corruption Policy, a Policy on Sexual and Other Harassment and a whistleblowing procedure. All of the policies include action plans for handling any breaches of the guidelines. The Company's Gender Equality and Discrimination Policy is updated regularly. Biotage conducts annual salary analyses in order to ensure equal pay as far as possible.

Biotage Sweden AB has a collective agreement with Innovation and Chemical Industries in Sweden. Other companies in the Group comply with prevailing local regulations and guidelines. The Company applies an individual, performance-based and market-related pay structure.

The environment

Biotage production has a low environmental impact, as the Company does not have any manufacturing processes. The Company's production consists primarily of assembly and installation of components, and is conducted in compliance with the European Union's

RoHS Directive. The environmental impact of Biotage operations is primarily related to freight and transportation. To reduce this impact, Biotage endeavors to switch from air to sea transport where possible and to optimize packaging by measures such as increasing the number of products in each package and buying packaging material and components locally if it can, and using recycled material as far as possible.

The main environmental impact of the production activities is from the use of energy, although production is not electricity-intensive. The production facilities in Cardiff also generate waste in the form of solvents used in the production process. The Company's aim is to regularly replace these solvents, where possible, with others that have a lower environmental impact. Most of the solvents that are used are recycled. At the Cardiff facility, waste is also generated in the form of packaging materials from incoming goods, which are sorted and sent for recycling where possible. The environment is also an important aspect of product development. Ensuring that an environmental approach is an integral part of new product design helps minimize the environmental impact of the Company's own production and product use in customers' own operations.

In 2013, Biotage set up Environmental Management Systems (EMS) as part of the program to obtain ISO 14001 certification. In 2016, the Cardiff facility, where most of the Company's own production takes place, was awarded ISO 14001 certification. As part of the ISO 14001 program, Biotage is monitoring a number of important parameters that affect the Company's environmental performance.

Risks

Biotage operations are associated with risks in certain areas.

Customers and market

The Company has a broad customer base in several different sectors. The fact that no customer accounts for more than five percent of sales reduces the risk of variations in demand arising from fluctuations in certain sectors or customer-specific circumstances. New or less expensive products from competitors could affect the Company's market position. Biotage seeks to establish the broadest possible areas of use for its products and to have sufficient customer segments to ensure that each customer's proportion of sales is kept to a minimum. In recent years, Biotage has worked to broaden its customer base to include users in the environmental and food sectors, biomolecules and now most recently oligonucleotides with the acquisition of ATDBio, Ltd.



Products and technologies

The Company's broad product portfolio reduces sensitivity to product life cycles and economic fluctuations. New biotechnology takes a relatively long time to establish, and Biotage is unable to guarantee that others will not develop products based on new technologies, which would reduce the competitiveness of the Company's products or make them redundant.

Production

Production of systems takes place at contract manufacturers' premises in Sweden and the United States and at the Company's own facility in Cardiff, Wales, in Salem, New Hampshire and in San Jose, California. Consumables are manufactured at the facilities in Cardiff, Salem and San Jose. All of the production facilities have the capacity to increase production at relatively short notice. Dependence on external production capacity could increase the risk of delays or non-delivery, as we have seen during the year (see section on the covid-19 pandemic). Biotage has special staff who closely monitor how suppliers discharge their obligations in terms of quality and delivery times. In cases where Biotage enters into large call-off contracts, under which the Company commits to purchase certain volumes over a certain period, there is a risk of loss if sales do not meet the expectations on which the contracts are based.

Personnel

Biotage has a large number of highly skilled, committed and motivated employees, who have developed strong customer relationships. Recruiting and retaining qualified staff is a prerequisite for pursuing the Group's business strategies. Biotage offers its employees competitive employment conditions, scope for input into the Group's products and services, some control over their own duties, and opportunities for personal development through initial training, continuing training and career planning. Despite these activities, there are no guarantees of the possibility of retaining key personnel.

Competitors

Competition in the Company's market is intense and Biotage often finds itself competing against large, well-established companies with vast financial and industrial resources at their disposal. It is not inconceivable that this competition could lead to lower market shares and reduced profitability for Biotage in the future. Biotage endeavors to maintain a strong market presence and to outperform its competitors in focusing on customer needs.

External risks

The Company's operations are exposed to risks associated with the effects of external factors and events. The main external risks include macroeconomic changes, political decisions on bilateral trade agreements, taxes, duties and other regulatory changes. By their very nature, external risks are out of the Company's control. Biotage endeavors to manage this type of risk through business intelligence and access to the resources and expertise that will enable the Company to respond quickly when it needs to grasp and adapt to changes in the external environment.

The covid-19 pandemic

The continued spread of the coronavirus pandemic (covid-19) is worrying for the global community. Uncertainty about the duration and intensity of the virus outbreak continues to make its effects difficult to assess.

Use of modern communication technology has mitigated the impact of not being able to visit customers for sales and service. The reduction in travel has also brought cost savings and resulted in a lower environmental footprint. It is not inconceivable that these more positive effects may change how we use our resources in the long term.

Several Biotage customers are participating in research and development of coronavirus analyses, vaccines and treatment. This has entailed increased demand for part of the product offering.

Disruptions in the production chain have been substantial but have for the most part been successfully managed, although at high cost. This situation may obviously change, both in terms of availability of the necessary production resources and more severe disruptions to the transport chain if the coronavirus pandemic continues.

Biotage is taking action to meet the challenges and risks associated with the coronavirus pandemic, while also seeking to maintain the momentum of its business activities. Operations are expected to gradually return to normal, although this will be entirely dependent on how prolonged the coronavirus pandemic is in consideration of the new omicron variant and other mutations.

Impact of Russia's invasion of Ukraine

In the short term, Biotage is only affected to a minor degree by the war in Ukraine, but it is too early to make a qualified assessment of the long-term impact.



Intellectual property rights

Biotage is dependent on non-patentable business secrets, know-how and continuing technological inventions, and on the ability to obtain and maintain patents to protect its technologies and products. Biotage continuously applies for patent protection for the methods and products it develops. Should the Company be unsuccessful in protecting its patents, business secrets, know-how or technologies, or have insufficient protection against competitors, the Company's competitive position could be undermined and the value of its existing and future products could be adversely affected. Should a party claim that the Company has infringed its intellectual property rights, the Company would be obliged to pay damages if the party were considered to have valid grounds for its claim against Biotage in a court of law. The Company might also need to initiate proceedings to defend its intellectual property rights. Even if Biotage were to win a case, the process would be time-consuming and costly, and would also take up much of management's time and attention. Biotage endeavors to monitor the development of new products and methods in the external environment as far as possible, and to maintain good technical and legal expertise within its organization. There are no such ongoing disputes as of the date of submission of this annual report.

Financial risks

Financial risks include currency risk, interest rate risk, credit risk, liquidity risk and refinancing risk. Currency risk is the most significant financial risk for Biotage, while interest risk and credit risk are less of a priority.

The Group's operating income is exposed to foreign currencies to a greater extent than its operating expenses. Exchange rate movements may shift the relationship between income and expenses and affect the Group's profitability. To reduce currency risk, the Group works to avoid centralizing it in Sweden as far as possible. Transactions between Sweden and foreign subsidiaries always take place in the subsidiary's currency. Excess liquidity is gathered in Sweden in Swedish currency. Balances in foreign currency are settled as far as possible. Currency hedging is not practiced. In the long term, currency risk could be reduced if the Group relocated parts of its activities, although this might involve costs and loss of expertise.

In addition, the Parent Company has invested in subsidiaries, notably in the U.S., U.K., China and Japan. As a result of these investments, the Group's equity is affected by exchange rate movements in relation to these countries' currencies.

Liquidity risk is primarily the risk of Biotage being unable to convert a financial asset sufficiently quickly at a market price, and incurring unforeseen losses if cash funds need to be released. The Company's financial position and liquidity are satisfactory, with an equity ratio of 69 (69) percent, cash and cash equivalents amounting to SEK 311 (371) million. Loans and liabilities to credit institutions amounted to SEK 150 (110). Cash flow analyses show sufficiently positive cash flows from operations that, to a reasonable extent, allow the Group to fully discharge its current obligations associated with the current scope of operations. Consequently, Biotage does not currently have any tangible liquidity or financing risks that leave the Group dependent on credit facilities or capital contributions for its expansion, resulting in decision-making falling outside the Group's control. Biotage addresses these risks in the long term by focusing strongly on operating profit, financial position and cash flow from operating activities. This will create the conditions for long-term organic growth and confidence among shareholders and lenders.

A description of the Group's financial risks and risk management is presented on sid 73-76.

Parent Company

The Group's Parent Company, Biotage AB, has wholly-owned subsidiaries in Sweden, the US, the UK, Germany, France, Italy, Switzerland, Japan, China, South Korea and India. The Parent Company is responsible for Group management, strategic business development and administrative functions at the Group and subsidiary levels.

The Parent Company's net sales amounted to SEK 4 (3) million. Operating expenses were SEK -25 (-23) million. Operating profit/loss was SEK -21 (-20) million. The Parent Company's net financial items amounted to SEK 47 (78) million and profit after financial items amounted to SEK 25 (58) million. Recognized tax amounted to SEK -4 (-12) million.

Investments in intangible assets amounted to SEK 1 (1) million. Cash and bank balances on December 31 were SEK 2 (1) million.



Share issues and mandate to issue shares

At the 2021 AGM, a performance share program was adopted for the Group's CEO and certain key personnel. Share capital increased during the year by SEK 0.3 million in a new issue of C shares to secure delivery of shares to the program participants. The newly issued C shares were immediately repurchased and held in the company's possession awaiting the outcome of LTIP 2021.

In addition, the Board was given a mandate to adopt the issue of ordinary shares and/or convertibles on one or more occasions. By virtue of this mandate, 781,991 ordinary shares were issued as trade-in on acquisition of ATDBio, Ltd., which increased share capital by SEK 0.7 million.

The Biotage share

Biotage had 66,470,340 shares at the end of 2021, comprising 65,983,775 ordinary shares and 486,565 C shares. Each of the Company's ordinary shares gives the right to one vote, and the articles of association do not contain any restrictions on the number of ordinary shares a shareholder may vote at general meetings. There are no restrictions on transferability of ordinary shares. The C shares were issued under the performance-based share program to secure delivery of ordinary shares to the participants on achievement of goals and to cover certain costs associated with the program. The C shares can be converted into ordinary shares. All C shares are repurchased by Biotage and thus do not carry voting rights. The C shares are not eligible for dividends.

In consideration of IFRS, 65,983,775 shares are outstanding as of the end of the year. The C shares held by the Company are not counted as outstanding. The number of outstanding shares as of December 31, 2021 after dilution, i.e., adjustment for the shares that can be distributed in the scope of the share program, is 66,206,635.

Biotage is not aware of agreements between shareholders.

Sustainability reporting

In accordance with Chapter 6, Section 11 of the Swedish Annual Accounts Act, Biotage has prepared a Sustainability Report. The Sustainability Report is included in the Annual Report on page 28-42.

Corporate Governance

Biotage has prepared a Corporate Governance Report in accordance with the provisions and implementation guidelines contained in Swedish legislation and the Swedish Corporate Governance Code. The report has been prepared separately from the annual report. The report and related auditors' report are available on the Group's website at www.biotage.com together with other information about corporate governance within Biotage.

Guidelines for remuneration of senior executives

Current principles and guidelines for remuneration of senior executives adopted by the 2020 AGM are described in note 1.

The guidelines for remuneration of senior executives were adopted by the AGM on June 4, 2020 and apply until the 2024 AGM unless the general meeting decides otherwise.

Significant events after the end of the fiscal year

For significant events after the end of the fiscal year, see note 30.

Proposed appropriation of profit

The annual general meeting has the following amounts from the Parent Company at its disposal (SEK):

Share premium reserve	257,542,096
Retained earnings	455,337,478
Profit for the year	26,159,193
Total	739,038,767

The Board of Directors and CEO propose that the amounts be distributed as follows:

Dividend payment of SEK 1.55 per share to shareholders	102,274,851
Carried forward	636,736,916
Total	739,038,767



Statement of the Board under Chapter 18, Section 4 of the Swedish Companies Act

The Board has recommended that the AGM on April 28, 2022 adopt a dividend of SEK 1.55 per share. The total amount of the dividend is a maximum of SEK 102,274,851. The Board considers, in light of what is indicated below, that the recommendation is justifiable in consideration of the demands that the nature, scope and risks that operations place on the amount of equity, and Biotage's consolidation requirements, liquidity and position in general. In this context, the Board has also considered the demands that the nature, scope and risks of the Group place on the Group's equity, and the Group's consolidation requirements, liquidity and position in general.

Equity

The Board's assessment is that Biotage's equity will be adequate after the recommended dividends. In this context, the Board has considered the nature and scope of the operations and the risks associated with the operations, and the current economic situation, historical trends and future projections for both Biotage and the market.

Consolidation requirements, liquidity and position in general

The Board has made an overall assessment of Biotage's financial position and its ability to fulfill its obligations in the long term. The recommended dividend does not affect Biotage's ability to meet its current or foreseeable payment obligations on time or Biotage's ability to make planned investments.

The Board has also considered other known conditions that could affect Biotage's financial position and have not been considered within the scope of what was outlined above. In this context, no circumstances have emerged that would make the proposed dividend unjustifiable.

The earnings and financial position of the Group and the Parent Company are presented in the Group's statement of comprehensive income, statement of financial position and statement of cash flows, the Parent Company's income statement, balance sheet and statement of cash flows, the statements of changes in equity and the accounting policies and notes which follow.



Group

Five years in summary

Key figures and ratios	2021	2020	2019	2018	2017
GROUP					
Net sales, SEK million	1,232	1,092	1,101	911	748
Growth in net sales, %	12.7	-0.8	20.9	21.8	12.0
Gross profit, SEK million	755	667	685	557	457
Gross margin, %	61.3	61.0	62.2	61.1	61.0
Operating margin, %	22.0	18.9	18.9	18.9	17.9
Profit margin, %	26.4	21.2	19.5	19.4	18.6
Profit before tax, SEK million	269	223	212	176	136
Total assets, SEK million	1,992	1,434	1,336	1,003	757
Equity/assets ratio, %	68.9	69.0	65.5	69.8	80.4
Capital expenditure, SEK million	341 ⁴⁾	61	86 ³⁾	178 ²⁾	38
Average number of employees	497	463	440	404	335
Return on equity, %	19.3	18.8	23.7	25.6	23.7
Return on capital employed, %	25.7	19.9	23.2	25.2	23.3
Return on total capital, %	21.4	16.7	18.4	20.3	18.8
Earnings, SEK/share	3.13	2.69	2.87	2.59	2.14
Earnings after dilution, SEK/share	3.13	2.69	2.87	2.59	2.14
Dividend, SEK/share ¹⁾	1.55	1.50	–	1.50	1.40
Stock market price at end of period, SEK/share	262	139	124	109	84
Equity, SEK/share	20.98	15.18	13.43	10.84	9.4
Equity after dilution, SEK/share	20.95	15.18	13.43	10.84	9.4
P/E ratio, times	83.7	51.7	43.2	42.1	39.3
P/S ratio, times	13.9	8.3	7.3	7.7	7.3
Cash flow from operations, SEK/share	5.40	4.28	3.25	2.4	2.61
Weighted average number of shares, thousands	65,355	65,202	65,182	64,714	64,714
Weighted average number of shares after dilution, thousands	65,465	65,209	65,182	64,714	64,714
Total number of shares outstanding at end of the period, thousands	65,984	65,202	65,202	64,714	64,714

¹⁾ Amounts refer to dividends for each year, paid the year after. For fiscal year 2021, the Board proposed an ordinary dividend of SEK 1.55 per share.

²⁾ SEK 131.2 million attributable to the acquisition of Horizon Technology, Inc.

³⁾ SEK 39.5 million attributable to the acquisition of PhyNexus, Inc.

⁴⁾ SEK 282 million attributable to the acquisition of ATDBio, Ltd



Group

Consolidated Statement of Comprehensive Income

Amounts in SEK millions	Note	2021	2020
Net sales	3	1,232	1,092
Cost of sales	1,2,4,5,6	-477	-426
Gross profit		755	667
Distribution costs	1,2,5,6	-287	-270
Administrative expenses	1,2,4,5,6	-117	-105
Research & development expenses	1,2,5,6	-91	-72
Other operating income	7	17	21
Other operating expenses		-5	-34
Total operating expenses		-483	-461
Operating profit		271	206
Finance income	8	10	26
Finance costs	8	-12	-9
Net financial items		-2	17
Profit before tax		269	223
Income tax	9	-64	-47
Profit/loss for the year		205	175
OTHER COMPREHENSIVE INCOME			
Items that may be reclassified to profit or loss for the year:			
Exchange differences from translation of foreign subsidiaries		67	-62
Cash flow hedges		-	-
Total other comprehensive income		67	-62
Total comprehensive income for the year		272	113
Profit/loss for the year attributable to owners of the Parent		205	175
Total comprehensive income attributable to owners of the Parent		272	113
Average number of shares outstanding	65,355,239	65,201,784	
Average number of shares outstanding after dilution	65,464,807	65,208,522	
Ordinary shares outstanding at the reporting date	65,983,775	65,201,784	
Earnings per share, SEK		3.13	2.69
Earnings per share after dilution, SEK		3.13	2.69



Consolidated Statement of Financial Position

Amounts in SEK millions	Note	12/31/2021	12/31/2020
ASSETS			
Non-current assets			
Goodwill	11	741	290
Capitalized development expenditure	10	128	122
Other intangible assets	10	185	129
Right-of-use assets	10	52	51
Property, plant and equipment	10	76	53
Other financial assets	14,19,20	14	12
Deferred tax asset	23	22	26
Total non-current assets		1,218	683
Current assets			
Inventories	15	237	160
Trade receivables	16,19	180	194
Other receivables		46	26
Cash and cash equivalents	19	311	371
Total current assets		774	752
Total assets		1,992	1,434

Amounts in SEK millions	Note	12/31/2021	12/31/2020
EQUITY AND LIABILITIES			
Capital and reserves attributable to owners of the Parent			
Share capital		92	91
Reserves and other paid-in capital		216	-57
Retained earnings		1,063	956
Total equity		1,371	990
Non-current liabilities			
Liabilities to credit institutions	18,19,20	150	110
Lease liabilities	19,20	30	31
Other financial liabilities	19,20,21	45	51
Deferred tax liabilities	23	73	33
Non-current provisions	22	10	3
Total non-current liabilities		307	227
Current liabilities			
Trade payables	19,24	56	51
Lease liabilities	19,21	23	21
Other financial liabilities		2	2
Other liabilities		229	135
Current provisions	22	3	8
Total current liabilities		313	217
Total equity and liabilities		1,992	1,434



Group

Consolidated statement of changes in equity

Amounts in SEK millions	Share capital	Other paid-in capital	Translation reserve	Hedge reserve	Retained earnings	Total equity
Opening balance January 1, 2020	91	58	-55	-	781	876
CHANGES IN EQUITY IN 2020						
Profit/loss for the year	-	-	-	-	175	175
Other comprehensive income:						
Cash flow hedges	-	-	-	-	-	-
Exchange differences on translation of foreign subsidiaries	-	-	-62	-	-	-62
Total comprehensive income	-	-	-62	-	175	113
TRANSACTIONS WITH OWNERS OF THE PARENT						
New share issue	-	-	-	-	-	-
Share-based remuneration	-	2	-	-	-	2
Share buy-back, Parent company	-	-	-	-	-	-
Closing balance December 31, 2020	91	60	-117	-	956	990
CHANGES IN EQUITY IN 2021						
Profit/loss for the year	-	-	-	-	205	205
Other comprehensive income:						
Exchange differences on translation of foreign subsidiaries	-	-	67	-	-	67
Total comprehensive income	-	-	67	-	205	272
TRANSACTIONS WITH OWNERS OF THE PARENT						
New share issue	1	200	-	-	-	201
Dividend to shareholders of the Parent	-	-	-	-	-98	-98
Share-based remuneration	-	7	-	-	-	7
Share buy-back, Parent company	-	-	-	-	-	-
Closing balance December 31, 2021	92	266	-49	-	1,063	1,371



Consolidated Statement of Cash Flows

Amounts in million SEK	Note	2021	2020
OPERATING ACTIVITIES			
Profit before tax		269	223
Adjustments for non-cash items		78	63
		347	285
Income tax paid		-16	-15
Cash flow from operating activities before changes in working capital		332	270
Cash flow from changes in working capital:			
Increase (-)/decrease (+) in inventories		-54	-5
Increase (-)/decrease (+) in operating receivables		16	-9
Increase (+)/decrease (-) in operating liabilities		60	23
Cash flow from changes in working capital		21	9
Cash flow from operating activities		353	279
INVESTING ACTIVITIES			
Acquisition of intangible assets	12	-33	-43
Acquisition of property, plant and equipment	10	-23	-18
Acquisition of financial assets	13,14	-2	-1
Acquisition of companies and product lines	27	-282	-
Sale of financial assets		-	-
Cash flow from investing activities		-341	-62

Amounts in million SEK	Note	2021	2020
FINANCING ACTIVITIES			
Dividend to shareholders		-98	-
Proceeds from borrowings		150	-
Repayment of borrowings		-134	-23
Cash flow from financing activities		-82	-23
Cash flow for the year		-69	195
Cash and cash equivalents at beginning of year		371	186
Exchange differences		9	-10
Cash and cash equivalents at end of year		311	371
ADDITIONAL DISCLOSURES			
Adjustments for non-cash items:			
Depreciation and impairment	6	75	74
Translation differences		4	6
Value adjustment, additional consideration		-9	-25
Other items	25	9	8
Total		78	62
Interest received		-	-
Interest paid		3	3



Parent Company

Income Statement, Parent

Amounts in SEK millions	Note	2021	2020
Net sales	3	4	3
Administrative expenses	1,2,4,5,6	-21	-21
Research & development expenses	2,6	-3	-2
Other operating income	7	-	-
Other operating expenses		-1	-
Operating expenses, net		-25	-23
Operating profit		-21	-20
PROFIT/LOSS FROM FINANCIAL INVESTMENTS:			
Interest income on receivables from Group companies		3	3
Profit/loss from investments in Group companies		9	-
Profit/loss from investments in associates		-	-9
Interest and similar expenses		-2	-2
Currency effects		8	-15
Group contributions received		29	101
Net financial items	8	47	78
Profit/loss after financial items		25	58
Appropriations		5	-9
Income tax	9,23	-4	-12
Profit/loss for the year		26	37

Statement of Comprehensive Income, Parent

Amounts in SEK millions	Note	2021	2020
Profit/loss for the year		26	37
OTHER COMPREHENSIVE INCOME			
Items that may be reclassified to profit or loss for the year:		-	-
Comprehensive income for the year		26	37



Parent Company

Balance Sheet, Parent

Amounts in SEK millions	Note	12/31/2021	12/31/2020
ASSETS			
Non-current assets			
<i>Intangible assets</i>			
Patents and licenses	12	13	12
Total intangible assets		13	12
<i>Financial assets</i>			
Investments in Group companies	26,27	1,134	472
Receivables from Group companies	29	131	130
Other financial assets	14	10	10
		1,275	613
Total non-current assets		1,288	625
Current assets			
<i>Current receivables</i>			
Receivables from Group companies	29	1	174
Other receivables	16	8	1
Prepayments and accrued income	16	2	2
		11	176
Cash and bank balances		2	1
Total current assets		13	178
Total assets		1,301	803

Amounts in SEK millions	Note	12/31/2021	12/31/2020
EQUITY, PROVISIONS AND LIABILITIES			
Equity			
<i>Restricted equity</i>	17		
Share capital		92	91
<i>Unrestricted equity</i>	17		
Other paid-in capital		258	58
Retained earnings		429	484
Profit/loss for the year		26	37
Total unrestricted equity		713	579
Total equity		805	670
<i>Untaxed reserves</i>		3	9
<i>Non-current liabilities</i>			
Liabilities to credit institutions	18	150	110
Other non-current liabilities		56	-
		206	110
<i>Current liabilities</i>			
Trade payables	24	3	1
Liabilities to Group companies	29	257	-
Current tax liabilities		11	6
Other current liabilities	24	5	-
Accruals and deferred income	24	11	6
		286	14
Total equity and liabilities		1,301	803



Statement of Changes in Equity, Parent

Amounts in SEK millions	Share capital	Retained earnings	Total equity
Opening balance January 1, 2020	91	540	631
CHANGES IN EQUITY IN 2020			
Profit/loss for the year	-	37	37
Total comprehensive income	-	37	37
OWNER TRANSACTIONS			
New share issue	-	-	-
Share buyback	-	-	-
Share-based remuneration	-	2	2
Closing balance December 31, 2020	91	579	670
CHANGES IN EQUITY IN 2021			
Profit/loss for the year	-	26	26
Total comprehensive income	-	26	26
OWNER TRANSACTIONS			
New share issue	1	200	201
Dividend to shareholders	-	-98	-98
Share buyback	-	-	-
Share-based remuneration	-	7	7
Closing balance December 31, 2021	92	713	805



Parent Company

Statement of Cash Flows, Parent

Amounts in SEK millions	Note	2021	2020
OPERATING ACTIVITIES			
Profit/loss after financial items		25	58
Adjustments for non-cash items	25	-28	-91
		-3	-33
Income tax paid		-	-
Cash flow from operating activities before changes in working capital		-3	-33
Cash flow from changes in working capital:			
Increase (-)/decrease (+) in other current receivables		229	22
Increase (+)/decrease (-) in other liabilities		269	-2
Cash flow from changes in working capital		498	
Cash flow from operating activities		495	-13
INVESTING ACTIVITIES			
Acquisition of subsidiaries	26,27	-440	-
Acquisition of intangible assets	12	-1	-1
Cash flow from investing activities		-443	-1
CASH FLOW FROM FINANCING ACTIVITIES			
Dividend to shareholders of the Parent		-98	-
Proceeds from borrowings		150	-
Repayment of borrowings		-110	-
Change in non-current receivables		7	15
Cash flow from financing activities		-51	15
CASH FLOW FOR THE YEAR			
Cash and cash equivalents at beginning of year		1	-
Cash and cash equivalents at end of year		2	1
ADDITIONAL DISCLOSURES:			
Adjustments for non-cash items:			
Depreciation and impairment	6	1	1
Associate impairment		-	9
Group contributions		-29	-101
Other items		-	-
Total		-28	-91



Summary of Significant Accounting and Measurement Policies for the Group and Parent Company

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1 Introductory information

The consolidated annual financial statements and the Parent Company's annual financial statements for the fiscal year ending December 31, 2021 were approved by the Board and CEO for publication on March 28, 2022 and will be presented for adoption at the annual general meeting on April 28, 2022.

The consolidated financial statements include the Parent Company Biotage AB (the Company) and its subsidiaries, which together are referred to as the Group or Biotage. The Parent Company is a Swedish public limited liability company. The address of the registered office is Box 8, 751 03 Uppsala, and this is where the Group's management and central functions are located. The Company's shares are listed on Nasdaq Stockholm, Large Cap.

Biotage is a Global Impact Tech company that is deeply committed solving societal problems. Biotage offers solutions for customer work flows within research and production of drugs and diagnostics, analytical testing, and water and environmental analyses.

We are proud to contribute to sustainable science in order to make the world a healthier, greener, and cleaner place for humanity, promoting the concept of HumanKind Unlimited.

Biotage customers span a broad spectrum of market segments ranging from drugs, biotechnology, diagnostics, contract research and contract production for clinical, forensic and academic laboratories, and organizations focused on food safety, clean water and environmental sustainability.

Biotage had 497 employees at the end of 2021 and sales of SEK 1,232 million. The Group has offices in Sweden, the United States, the United Kingdom, China, Japan, South Korea and India.

2 Basis of preparation

Statement of compliance with reporting standards

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), as adopted by the European Union, effective for periods beginning on or after January 1, 2021. The Group also applies the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 1 Supplementary Accounting Rules for Groups. Differences between the Parent Company's and the Group's accounting policies are described in Section 8. The accounting policies have been applied consistently to all periods presented in the consolidated financial statements and to the financial statements of companies in the Biotage Group.

New and amended standards and interpretations effective for 2021

New and amended standards and interpretations have not had any material effect on the Group's financial reports.



Summary of Significant Accounting and Measurement Policies for the Group and Parent Company

New and amended standards and interpretations not yet effective

It is management's assessment that no new and amended standards and interpretations are likely to have any material effect on the Group's financial reports in the period of initial application.

Functional currency and presentation currency

The financial statements are reported in Swedish kronor (SEK), which is the Parent Company's functional currency and the presentation currency for the Group's financial reporting. Unless otherwise stated, amounts are reported in SEK millions.

Basis of measurement

Assets and liabilities are measured at cost, apart from certain financial assets and liabilities, which are measured at fair value, see section 6.6 Finansiella instrument.

Use of accounting estimates

Accounting estimates and assessments are regularly reviewed. Changes in accounting estimates are recognized in the period of the change if the change only affects that period. Changes are recognized in the period of the change and future periods if the change affects both. Information about complex areas that require a high degree of estimation or where accounting estimates are of key significance to the consolidated financial statements can be found in Section 10.

Classification

Non-current assets, liabilities and provisions are essentially amounts that are expected to be recovered or paid more than 12 months after the reporting date. Current assets, liabilities and provisions are amounts expected to be recovered or settled within 12 months of the reporting date.

3 Consolidation and business combinations

Consolidation

The consolidated financial statements comprise the Parent Company and its subsidiaries. The financial statements of companies included in the consolidated financial statements relate to the same period and are prepared using the Group's accounting policies. All intra-group balances, income, expenses, gains and losses arising from transactions between consolidated companies are eliminated in their entirety.

The results of operations of a subsidiary are included in the consolidated financial statements from the date of acquisition, which is the date on which the Parent Company obtains

control, until the date on which control ceases. Control exists when the Parent Company is exposed, or has rights, to variable returns from its involvement with an investee and has the ability to affect those returns through its power over the investee. The Group's structure is shown in note 26.

Business combinations

Consolidated financial statements have been prepared using the acquisition method. The purchase consideration consists of the fair value of assets acquired and liabilities incurred by Biotage to the former owners and the fair value of the shares issued by the Group. Contingent consideration is a liability incurred by Biotage to former owners and is recognized at the acquisition-date fair value and included in the cost of acquisition. Subsequent changes in fair value are recognized in the income statement. Additional payments to sales staff that are conditional on continued employment relationships are not reported as a liability at the time of acquisition, but as a cost over the duration of the conditions.

The fair value of identifiable acquired assets, liabilities and contingent liabilities is determined at the acquisition date. Financial assets and financial liabilities (e.g., contingent consideration), which are subsequently measured at fair value through profit or loss are initially recognized at fair value. Identifiable assets and liabilities also include assets, liabilities and provisions (including obligations and claims from external parties) which are not recognized in the balance sheet of the acquiree. For business combinations where the total of the purchase consideration transferred exceeds the acquisition-date fair value of identifiable net assets, the difference is reported as goodwill in the statement of financial position. Acquisition costs are recognized in the income statement in the period in which they are incurred.

Reporting of associates

Associates are partly-owned entities over which the Group has significant influence, being the power to participate in financial and operating policy, but not control. Investments in associates are accounted for in the consolidated statements using the equity method. The share of associates' profit and loss, adjusted for recognized fair value changes, is reported under other operating income and expenses in the consolidated income statement.

In the event of a loss of control, a reclassification of the holding from associate to other financial assets takes place. The reclassification involves measuring the holding at fair value, with the difference reported in the income statement under finance income or finance costs. Any translation differences arising from foreign currency translation that were previously reported in comprehensive income are also reversed.



Summary of Significant Accounting and Measurement Policies for the Group and Parent Company

4 Segment reporting

Segment information is required to be presented using a management approach, and operating segments are identified on the basis of internal reporting to the chief operating decision-maker, which for Biotage is the Group's CEO. In the internal reporting system used by the CEO to review operating results and make decisions about the allocation of resources, financial information is presented for the Group as a whole. Consequently, the Group consists of one operating segment, and for this reason Biotage does not report separate segment information. In accordance with IFRS 8 Operating Segments, information on revenue by geographical market, see note 3, and distribution of non-current assets by country, see note 12, is provided.

5 Foreign currency translation

Functional currency and presentation currency

Items in the individual financial statements of each Group entity are presented in the currency used in the area in which the entity primarily operates (its functional currency). The consolidated financial statements are presented in SEK, which is the Parent Company's functional currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Exchange gains and losses arising on settlement of these transactions and on translation of foreign currency monetary assets and liabilities using the closing rate are recognized in profit or loss.

Foreign currency receivables and liabilities are translated to SEK at the closing rate. Unrealized exchange gains and losses on operating receivables and liabilities are recognized in operating profit or loss, while unrealized exchange gains and losses on financial assets and liabilities are recognized in net financial items.

A monetary item receivable from or payable to a foreign operation, for which settlement is neither planned nor likely to occur in the foreseeable future, is a part of the Company's net investment in that foreign operation. Exchange differences arising on the translation of such monetary items are recognized in other comprehensive income.

Group companies

The results and financial position of all Group companies are translated into the Group's presentation currency using the following procedures:

- (i) assets and liabilities are translated at the closing rate;
- (ii) income and expenses are translated at the average exchange rate for the reporting period. On consolidation, exchange differences arising from the translation of the net investment in foreign operations are recognized in other comprehensive income.

When a foreign operation is disposed of, these exchange differences are recognized in the income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the acquiree.

6 Items in the consolidated statement of financial position

6.1 Intangible assets

Intangible assets are recognized at cost less accumulated amortization and impairment. The useful life of each intangible asset is determined and amortization is applied on a straight-line basis over the useful life. Intangible assets with an indefinite useful life are not amortized; instead, they are tested for impairment when the annual financial statements are prepared or when there is an indication of a decline in value. The useful life of goodwill is generally assumed to be indefinite. The useful life of acquired technology-based assets in the company is 5–10 years.

Capitalized development expenditure

Expenditure on development projects is recognized as an asset in the consolidated financial statements when it is probable that the projects will generate future economic benefits. If a business combination gives the Group access to products, technological equipment or processes it did not previously have and utilization of these is expected to provide economic benefits for the Group, a value for these technology-based intangible assets may be reported in the consolidated statement of financial position.

The purpose of development projects is to develop new products and improve existing ones. Because development of products in the areas in which Biotage is active is a long process, it is not uncommon for a development project to span several fiscal years. Reporting and control of development expenses takes place through project reporting.



Summary of Significant Accounting and Measurement Policies for the Group and Parent Company

Development projects are classified as Product Care, Pre-Study or Product Development. Expenses for projects classified as Product Care are recognized immediately. Projects classified as Pre-Study in the research phase and expenses are recognized immediately. When a project moves from the research phase to the development phase, and it can be demonstrated how the intangible asset will generate probable future economic benefits, and it meets the criteria in IAS 38 for capitalization of internally-generated intangible assets, it is reclassified as Product Development. The development phase is aimed at producing new technology or a new product and ends when the technology is placed in service or the new product is launched in the Group's sales markets.

The amortization period for capitalized development costs begins when the fully developed asset is available for use in the manner intended. In many cases, this is when the new product is launched. Amortization is on a straight-line basis over a period of time and is based on an assessment of the product's estimated useful life. The Company's capitalized development costs can be divided into systems, consumables and software. The estimated useful life for systems and consumables is 7 years, and for software 3 years. Useful life expectations are based on the Company's experience of the lifespans of its products and on its innovation cycles, i.e., the intervals at which Biotage could be expected to launch new products to replace, or partly replace, previous ones. These useful life assumptions are reviewed regularly during impairment testing, which is conducted on an individual level annually or more frequently if there is an indication of impairment.

Market and customer-related intangible assets

Patent and license rights are recognized at cost less accumulated amortization. Customer relationships are initially measured at fair value when they are acquired in a business combination, and subsequently with a deduction for accumulated amortization. The amortization period for patents is normally 10 years, but never longer than the patent term. Amortization begins when the first national patent is granted. The patent portfolio is also evaluated annually to identify any need for additional amortization. License rights are amortized over their duration of 5–10 years. Customer relationships are amortized on a straight-line basis over their estimated useful life of 3–11 years.

For trademarks, the useful life is considered indefinite when the intention of the acquisition is to develop and strengthen the entire trademark portfolio. They are therefore recognized at accumulated cost. The Group's acquired trademarks considered to have an indefinite useful life originate from Horizon Technology, Inc. and PhyNexus Inc. The assessment that

the useful life for these trademarks is indefinite is based on the following circumstances. They are well-established trademarks within their areas, which the Group intends to retain and develop further. The trademarks are considered to be of material economic significance, as they are an integral part of the product offering to the market, signaling quality and innovation in the products. Such trademarks are therefore considered to be influential in the pricing and competitiveness of the products. By virtue of their connection with the ongoing operations, they are considered to have an indefinite useful life and are expected to be used as long as the relevant operations continue.

Impairment testing takes place at least once a year. In consideration of the assessment that cash flows attributable to trademarks cannot be distinguished from other cash flows within the relevant cash-generating unit, impairment testing is carried out jointly for goodwill and trademarks by calculating the recoverable amount for the cash-generating unit, see also under Goodwill below.

Goodwill

Goodwill is recognized as an intangible asset at cost less accumulated impairment in the balance sheet. For business combinations where the total of the purchase consideration transferred exceeds the acquisition-date fair value of identifiable net assets, the difference is reported as goodwill. Goodwill is tested for impairment annually or more frequently if there are indications of a decline in value. The carrying amount of goodwill is compared with its recoverable amount, which is the higher of value in use and fair value less costs to sell. Any impairment is recognized as an expense in the income statement.

For impairment testing, goodwill is allocated to the smallest cash-generating unit in the Company in which the goodwill in question is monitored during internal control. See also Section 10, which describes the estimates and assumptions made during impairment testing.

Software licenses

Acquired software licenses are capitalized on the basis of the expenditure incurred when the software itself is acquired and placed in service. Amortization is applied over the useful life, which is 3 to 7 years, depending on the contractual terms.



Summary of Significant Accounting and Measurement Policies for the Group and Parent Company

6.2 Property, plant & equipment

Items of property, plant & equipment are recognized at cost less accumulated depreciation and impairment losses. These assets include factories, offices, testing instruments, production tools, computers and peripherals and office and warehouse equipment. The cost of property, plant & equipment comprises the purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended. The cost of an item of property, plant & equipment is recognized as an asset on initial measurement, as is the cost of major spare parts if it is probable that future economic benefits associated with the asset will flow to the Group. Other costs are recognized as an expense in the period in which they are incurred.

Depreciation is based on the cost of the asset and is applied on a straight-line basis over the estimated useful life. Parts of an item of property, plant and equipment which constitute a large proportion of the asset's total cost and which have different useful lives are treated as separate components of property, plant & equipment and are subject to separate depreciation.

The following useful lives apply:

Item	Depreciation period
Land	No depreciation
Site improvements	10–20 years
Buildings	30–40 years
Production tools	3–7 years
Improvement of third-party property	2–10 years
Computers	3–4 years
Other property, plant & equipment	3–5 years

The gain or loss arising from the disposal of an item of property, plant & equipment is the difference between the selling price and the asset's carrying amount, and is reported under other operating income or other operating expenses.

6.3 Financial assets

Financial assets are accounted for in accordance with the description in section 6.6 Financial instruments.

6.4 Leases

Leases are recognized in the balance sheet as a right-of-use asset over a determined lease term and a corresponding liability is recognized on the initial reporting date. Right-of-use assets are depreciated over their estimated useful lives, while lease payments are apportioned between the finance charge and the reduction of the outstanding lease liability. In financial and cost terms, Biotage has a small proportion of leases, which are mainly rental agreements for premises.

The Group assesses whether an arrangement is a lease or contains a lease at the commencement date. The Group recognizes a right-of-use asset and an associated lease liability for all leases where the Group is lessee, apart from short-term leases (leases with a term shorter than 12 months) and low-value leases (e.g., office equipment). For these leases, the Group recognizes the lease payments as an expense on a straight-line basis over the term of the lease, or on another systematic basis that is more representative of the pattern in which the economic benefit from use of the leased assets is diminished.

The lease liability is initially measured at the present value of the lease payments that are not paid as of the commencement date, discounted using the interest rate implicit in the lease if the rate can be readily determined. If the rate cannot be readily determined, the lessee's incremental borrowing rate is used.

The lease liability includes lease costs for the periods in which the Company is bound by existing contracts, and periods where it is reasonably certain that options to extend the leases will be exercised. If renewal of a lease is imminent, within one year, it is assumed that the agreement will be extended unless known circumstances indicate otherwise. If there are a number of leases for premises for the same establishment in a country, it is assumed that they will be extended until the expiration date of the lease with the longest term. Five years is the longest lease term included, as assumptions beyond five years are not considered reasonable.

Lease payments included in the measurement include fixed payments and amounts expected to be payable under residual value guarantees. For most subsidiaries, future rental payments are not index-linked but defined in the existing contract. Payments other than for leased assets are recognized as an expense as incurred.

The lease liability is reported as a separate item in the consolidated statement of financial position. After the commencement date, the lease liability is measured by increasing the carrying amount to reflect interest on the lease liability and by reducing the carrying



Summary of Significant Accounting and Measurement Policies for the Group and Parent Company

amount to reflect the lease payments made. The Group reassesses the lease liability and makes a corresponding adjustment to the right-of-use asset in the event of a change to the lease term, changed lease payments as a result of changes to an index or rate, or changes to amounts expected to be payable under a residual value guarantee. The lease liability is remeasured using a revised discount rate if there is a change in the lease term; otherwise, the rate does not change.

Right-of-use assets comprise the amount of the initial measurement of the corresponding lease liability, lease payments made on or before the commencement date and any initial direct costs. They are then subsequently measured at cost less accumulated depreciation and impairment losses. The useful life of the right-of-use asset is considered the same as the lease term. Right-of-use assets are reported as a separate item in the consolidated statement of financial position. The Group applies IAS 36 to determine whether a right-of-use asset is impaired and recognizes any impairment loss identified.

Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and right-of-use asset. These payments are recognized as an expense and reported in profit or loss in the period in which they arise. This is not a substantial amount for Biotage.

The incremental borrowing rate has been determined on the basis of government bonds in Sweden, and the equivalent for leases in other countries, the Company's creditworthiness and a reflection of the risk in the underlying asset.

There are no agreements where a Group company is lessor.

6.5 Inventories

Inventories are measured using the "lower value" principle, i.e., the lower of cost and net realizable value. Cost is measured using the FIFO method. The cost of finished goods and work in progress consists of design costs, raw materials, direct labor, other direct costs and related indirect manufacturing costs. Borrowing costs are not included in cost. The net realizable value is the estimated selling price in the ordinary course of business less costs of completion and costs necessary to make the sale.

6.6 Financial instruments

Financial instruments reported in the statement of financial position include securities, other financial receivables, trade and other receivables, cash & cash equivalents, trade payables, loans, other liabilities and derivatives.

Recognition in the statement of financial position

Financial assets are recognized in the statement of financial position when the Group becomes a party to the contractual provisions of the instrument. Trade receivables are recognized when an invoice has been sent. A liability is recognized when the counterparty has performed and there is a contractual obligation to pay.

A financial asset or part of a financial asset is derecognized when the rights to receive cash flows from the asset have expired or have been transferred or the Group no longer has control of it. Financial liabilities are derecognized when the contractual obligation has been discharged or extinguished in some other way.

A financial asset and a financial liability may be offset and the net amount presented in the statement of financial position when, and only when, the Company has a legally enforceable right to offset the recognized amounts, and the Company intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. The Group does not offset any financial assets or liabilities at the reporting date.

Classification and measurement

Financial assets are classified under different categories on the initial reporting date depending on the business model for management of the assets and the characteristics of the contractual cash flows. This takes into account whether the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets are classified in the following categories:

1. Financial assets at amortized cost. These assets are held to collect contractual cash flows that are solely payments of principal and interest on the principal amount outstanding.
2. Financial assets at fair value through profit or loss. These assets are held to collect contractual cash flows and to sell investments, and have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding.
3. Financial assets at fair value through OCI. These are other financial assets and investments in equity instruments.

Financial liabilities are measured at fair value through profit or loss if they are held for trading or were placed in this category on initial recognition. Otherwise, they are measured at amortized cost.



Summary of Significant Accounting and Measurement Policies for the Group and Parent Company

Amortized cost is the amount at which an asset or liability is measured at initial recognition minus principal repayments, plus or minus cumulative amortization, using the effective interest method, of any difference between the initial amount and the maturity amount, and minus any reduction for impairment or uncollectibility. The effective interest rate is the rate that discounts all estimated future cash payments or receipts through the expected life of the financial instrument to the initially recognized carrying amount of the financial asset or liability.

The Group holds trade receivables, cash and cash equivalents, and other non-current receivables to collect contractual cash flows. As the contractual cash flows from these assets consist of payments of principal and interest on the principal amount outstanding, they are measured at amortized cost.

The Group's financial liabilities consist of liabilities to credit institutions, lease liabilities, other financial liabilities and trade and other payables. They are all measured at amortized cost, apart from leases and additional consideration liabilities as described above.

The fair values of assets and liabilities with a remaining maturity of less than three months, such as cash deposits, trade and other receivables, and trade and other payables, are considered equal to their carrying amounts

For a description and definition of fair value measurement, see notes 19 and 20.

Impairment

The Group recognizes a loss allowance for expected credit losses on financial assets measured at amortized cost. At each reporting date, the Group reports the change in expected credit losses since their previous recognition

The Group measures losses through a loss allowance equal to 12-month expected credit losses. If the credit risk of a financial instrument has increased significantly since initial recognition, a loss allowance for full lifetime expected credit losses is recognized (the general approach). The Group's measurement of expected credit losses on financial instruments reflects an unbiased and probability-weighted amount that is determined by evaluating the range of possible outcomes, the time value of money, and reasonable, supportable information about current conditions and forecasts of future economic conditions.

The general approach is used for other financial assets. A practical expedient is applied for cash and cash equivalents with a low credit risk on the reporting date. For intra-group and other receivables, a calculation based on the probability of default shows that the amount of the loss allowance is insignificant.

Trade receivables

Trade receivables are reported net of provisions for expected losses. As trade receivables are of short duration, they are measured at nominal amounts without discounting, using the amortized cost method. Expected credit losses on trade receivables are measured through a loss allowance using the simplified approach, as the receivables do not contain any significant financing component and are of short duration. The allowance for credit losses is based on the matrix model, which takes into account historical data on the number of days outstanding. The allowance is adjusted for relevant current conditions and probable future outcomes. The provision amount is recognized in the income statement.

Non-current receivables

Non-current receivables are measured at amortized cost using the general approach for impairment. Assessment of whether financial assets are credit-impaired is made by reference to known and probable circumstances, based on the knowledge currently available, established financial plans and relevant prospective factors

Trade payables

Trade payables are categorized as financial liabilities at amortized cost. As trade payables are of short duration, they are measured at nominal amounts without discounting.

Loans

Amounts due to credit institutions, bank overdrafts and other liabilities are categorized as financial liabilities at amortized cost. Any transaction costs are distributed over the term of the loan using the effective interest method.

6.7 Taxes

Income tax consists of current tax and deferred tax. Taxes are recognized in the income statement except when the underlying transaction is recognized in OCI or directly in equity, in which case the related tax effect is also recognized in OCI or equity.

A current tax liability or asset is the amount of income tax payable or recoverable in respect of the taxable profit or loss for the current year and prior years.



Summary of Significant Accounting and Measurement Policies for the Group and Parent Company

A deferred tax liability or asset is recognized for temporary differences between the carrying amounts of assets and liabilities and their corresponding tax bases or unused tax losses and credits. Deferred tax assets are only recognized to the extent that it is probable that taxable profit will be available against which they can be utilized. Deferred tax is measured using national tax rates that have been enacted or substantively enacted by the reporting date in the countries where the Group has legal entities.

6.8 Provisions

Provisions for restructuring are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions for warranties for products sold are based on the warranty terms & conditions and historical warranty costs and quality rates. Provisions are classified as non-current and current items. Non-current obligations will not require an outflow of resources during the next 12 months. All other obligations are classified as current.

6.9 Share capital

All issued shares are either ordinary shares or C shares, and are classified as equity. Transaction costs directly attributable to the issue of new shares are recognized in equity, net of tax, as a deduction from the issue proceeds.

7 Items in the consolidated income statement

7.1 Revenue recognition

Revenue is the fair value of the consideration that the company has the right to receive from goods sold or services rendered in the course of the Group's ordinary activities, excluding VAT and discounts, and after elimination of intra-group sales.

Revenue is reported in accordance with IFRS 15 Revenue from Contracts with Customers, based on a five-stage model. First, the type of contract and performance commitments included are identified. Then, the price is determined and allocated to the various contractual components. Revenue is reported when control has transferred to the buyer.

Sale of goods

The Group develops and sells systems, re-agents, accessories, spare parts and services on a global basis directly to end users through its subsidiaries, and through distributors.

Revenue is recognized when control over the products has been transferred from seller to buyer and the customer has confirmed acceptance, which is normally on delivery. In these circumstances, revenue is recognized at a point in time.

Rendering of services

Revenue from the rendering of services is recognized in the reporting period in which the services are performed. Biotage sales of services include servicing and installation of systems and customer-specific development projects. For customer-specific development projects, services are performed over a long period, and revenue is therefore recognized by reference to the stage of completion of the transaction at the end of the reporting period. The scope of customer-specific projects is modest.

Service contracts may be signed by customers purchasing

the Company's systems. It is not known to what extent customers will utilize service agreements or when during the term of the contract. The customer simultaneously receives and consumes all benefits provided by the entity as the entity performs, which means the obligation qualifies as a performance obligation satisfied over time. Revenue is therefore recognized on a straight-line basis over the contract period.

Interest income

Interest income is distributed over the term of the interest-bearing investment using the effective interest method.

7.2 Cost of sales

Costs of sales consists of design costs, raw materials, direct labor, other direct costs and related indirect manufacturing costs.



Summary of Significant Accounting and Measurement Policies for the Group and Parent Company

7.3 Employee benefits

Retirement benefit obligations

The Group's pension plans are funded by contributions to insurance policies. They are all reported as defined-contribution plans. Defined-contribution plans are plans under which companies pay fixed contributions into a separate entity (a fund). Under defined-contribution pension plans, the Group's legal or constructive obligation is limited to the amount that it agrees to contribute to the fund. It has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The expenses are charged to the Group's income as the benefits are earned, which normally coincides with the date on which the premium is paid.

Termination benefits

Termination benefits are paid when employment is terminated before the normal retirement age or when an employee accepts voluntary layoff in return for termination benefits. Termination benefits are recognized when the Company is committed to terminating the employment of employees before the normal retirement date or providing termination benefits as a result of an offer made to encourage voluntary layoff. The Company is committed to a termination when it has a detailed formal plan for the termination.

Variable pay

The Group provides variable pay for employees in positions where their performance has a measurable effect on the Group's earnings. Estimated expenses for variable pay are recognized on an ongoing basis and provision is made for these expenses in the consolidated statement of financial position.

Short-term employee benefits

For short-term employee benefits (such as wages, paid vacation and sick leave) and pensions, the amount of benefits expected to be paid in respect of service rendered by employees in a period is recognized in that period.

Share-based payment

In accordance with a resolution of the AGM, Biotage has adopted long-term incentive programs in the form of a performance-based share program ("LTIP 2020" and "LTIP 2021") for employees of the Biotage Group. LTIP 2020 and LTIP 2021 both include the CEO, senior executives and other key personnel, meaning that a maximum of 18 individuals within the

Biotage Group will be eligible to participate. In the framework of LTIP 2020 and LTIP 2021, the company has granted participants rights to performance shares, entailing the right to receive performance shares ("rights") consisting of ordinary shares in Biotage, subject to fulfillment of certain conditions.

Both programs are reported in accordance with IFRS 2, which means that the rights are measured on the grant date at the fair value of allotted equity instruments. Social security contributions are recognized as personnel expenses in accordance with UFR 7 and are based on the reporting-date fair value of allotted rights. Allotted rights are recognized as personnel expenses over the vesting period of three years but do not affect cash flow. For more information on the impact on the consolidated income statement and statement of financial position, see note 1.

Allotment of performance shares requires participants to remain in employment for three years from the grant date. In addition to the continuing service requirement, the final number of performance shares which each participant is entitled to receive is determined by the following performance conditions.

LTIP 2020 conditions

Performance condition 1: Fifty percent of the performance shares if the total return on the company's ordinary shares amounts to or exceeds 64.3 percent during the period July 2020–July 2023. However, at least 26 percent is required for allotment to take place. Total return refers to returns to shareholders in the form of a price increase and reinvestment of any dividends during the vesting period.

Performance condition 2: Twenty-five percent of the performance shares if the average operating margin amounts to or exceeds 20 percent during the 2020–2022 (calendar years). However, at least 17 percent is required for allotment to take place.

Performance condition 3: Twenty-five percent of the performance shares if the average organic sales growth amounts to or exceeds 11 percent during the 2020–2022 (calendar years). However, at least 7 percent is required for allotment to take place.

For further information about the rights, see the appendix to the minutes of the 2020 AGM on the Biotage website.



Summary of Significant Accounting and Measurement Policies for the Group and Parent Company

LTIP 2021 conditions

Performance condition 1: Fifty percent of the performance shares if the total return on the company's ordinary shares amounts to or exceeds 64.3 percent during the period June 2021–May 2024. However, at least 26 percent is required for allotment to take place. Total return refers to returns to shareholders in the form of a price increase and reinvestment of any dividends during the vesting period.

Performance condition 2: Twenty-five percent of the performance shares if the average operating margin amounts to or exceeds 20 percent during the 2021–2023 (calendar year). However, at least 17 percent is required for allotment to take place.

Performance condition 3: Twenty-five percent of the performance shares if the average organic sales growth amounts to or exceeds 11 percent during the 2021–2023 (calendar years). However, at least 7 percent is required for allotment to take place. For further information about the rights, see the appendix to the minutes of the 2021 AGM on the Biotage website.

The rights related to performance condition 1 are measured using the Monte Carlo model. The rights related to performance conditions 2 and 3 are measured on the basis of the current share price at the program start less the forecast dividend during the vesting period.

7.4 Impairment

Impairment is recognized when a significant increase in the credit risk for a financial asset arises, or following impairment testing of non-current assets. Impairment losses are recognized in the income statement on the basis of reasonable and verifiable data, including forward-looking factors. The impairment reflects an unbiased and probability-weighted amount that is determined by evaluating the range of possible outcomes, the time value of money, and reasonable, supportable information about current conditions and forecasts of future economic conditions

If there is supportable and objective evidence that an impairment loss recognized in prior periods no longer exists, the impairment loss is reversed. Reversed impairment losses are recognized in the income statement. Testing of previous impairment losses is conducted on an individual basis. Goodwill impairment is not reversed.

7.5 Other operating income and expenses

Other operating income and other operating expenses include one-time payments, exchange gains/losses on operating receivables and liabilities and gains/losses on the sale or disposal of non-current assets.

8 The Parent Company's accounting policies

The Parent Company applies the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities. This allows application of IFRS as adopted by the EU to the extent that such application is not in conflict with the Swedish Annual Accounts Act and the Pension Obligations Vesting Act, and also takes into account the relationship between tax expense and accounting profit.

Amended accounting policies for the Parent Company

The amendments to RFR 2 Accounting for Legal Entities that came into effect in 2021 have not had any material effect on the Parent Company's financial reporting.

The differences between the Parent Company's and the Group's accounting policies are described below.

8.1 Classification and presentation

The Parent Company's income statement and balance sheet are presented in accordance with the format described in the Annual Accounts Act. The main difference from IAS 1 Presentation of Financial Statements, which is applied when preparing the consolidated financial statements, concerns the reporting of finance income, finance costs, non-current assets and equity, and the presentation of provisions as a separate item. The Parent Company also presents a statement of comprehensive income, which is separate from the income statement.

8.2 Investments in Group companies

Investments in subsidiaries are recognized at cost less any impairment in the Parent Company's financial statements. Acquisition-related costs for subsidiaries, which are recognized as an expense in the consolidated financial statements, are included as part of the cost of investments in subsidiaries.



Summary of Significant Accounting and Measurement Policies for the Group and Parent Company

8.3 Financial instruments

The Parent Company does not apply IFRS 9 for legal entities. Financial assets that are reported as non-current assets are measured at amortized cost less any impairment. When calculating the net realizable value of financial assets reported as current assets, the impairment principles contained in IFRS 9 are applied. A financial asset or financial liability is derecognized when the contractual right to receive cash flows from the asset has expired or been settled, or when the contractual obligation has been discharged or extinguished.

The Parent Company's financial liabilities are subject to financial covenants. See also note 18.

8.4 Leases

The Parent Company does not apply IFRS 16 for legal entities. Lease payments are recognized as an expense on a straight-line basis over the lease term or on another systematic basis if that basis is more representative of the pattern of the lessee's economic benefit.

8.5 Shareholder and Group contributions

Group contributions the Parent Company receives from subsidiaries are reported under finance income using the same principles as ordinary dividends from subsidiaries. Group contributions made by the Parent to subsidiaries are reported as an increase in investments in Group companies. Shareholder contributions are recognized directly in the recipient's equity and are reported in the issuer's shares and interests, to the extent that impairment is not required.

8.6 Untaxed reserves

Changes in untaxed reserves are recognized as an appropriation in the income statement. The accumulated value of the provisions is reported under untaxed reserves in the balance sheet. Tax depreciation is calculated in accordance with current tax legislation. Tax depreciation is regarded as accelerated depreciation, which is reported as an untaxed reserve.

9 Financial risks and the Group's risk management

9.1 Financial risks in the Biotage Group

In addition to the business risks that Biotage faces in the course of its operations, there are also different types of financial risks, which include currency risk, interest rate risk, credit risk and refinancing risk. Under the Group's financial policy, financial risks shall be minimized, taking into account reasonable hedging expenses, and access to liquidity shall be maintained.

Currency risk

A significant proportion of the Group's sales are conducted in USD, EUR, JPY and CNY. The proportion of sales in SEK is relatively small. Sales divided into relevant currencies are presented in the table below. Operating expenses and financial instruments are also related to these currencies, although SEK is dominant. The Group's legal entities have intragroup balances. Translation of these balances to SEK may have a significant effect on the Group's financial position and results. As the Group's functional currency is SEK, movements of the Swedish krona against other transaction currencies will have an effect on the Group's results and financial position. A 10 percent change in the USD/SEK exchange rate would affect income and equity by SEK 26 (39) million. The corresponding effect of a 10% change in the EUR/SEK rate would be SEK -2 (3) million.

Interest rate risk

Interest rate risk is the risk that the value of financial instruments or future cash flows will fluctuate because of changes in market interest rates. The Group's financial assets are exposed to a limited extent to these changes as the holdings are of short duration. On the other hand, the Group's refinancing will be more expensive if general interest rates rise and vice versa. A change of 1 percentage point in the Group's interest rate on interest-bearing assets would affect income and equity by SEK 3 (2) million. A change of 1 percentage point in the Group's interest rate on interest-bearing Liabilities would affect income and equity by SEK 2 (1) million.

Credit risk

Credit risk can be divided into financial and operational. Operational credit risk is the risk of customers being unable to pay for delivered goods. Operational credit risk is managed within a defined framework and is decentralized by means of local credit ratings. The majority of customers are large companies and scientific institutions with operations which are normally state-financed. Based on historical data, it is management's assessment that Biotage has a low credit risk, as losses have historically corresponded to less than 0.5 percent of sales. No single customer accounts for more than 5% of the Group's total revenue. The Group applies the simplified matrix model for measuring expected credit losses on trade receivables, see Note 16.



Summary of Significant Accounting and Measurement Policies for the Group and Parent Company

The Group's financial credit risk is counterparty risk in bank deposits and financial investments. The financial policy sets limits for each counterparty, and only Swedish banks with low credit risk and high ratings in the long-term assessments of the rating agencies Standard & Poor's and Moody's may be used for investments and derivatives. The Group's method for managing expected credit losses is described in section 6.6 Financial instruments and Note 16.

Total credit exposure was SEK 491 (565) million at the reporting date and consisted of cash and cash equivalents of SEK 311 (371) million and trade receivables of SEK 180 (194) million.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in accessing funds to discharge its financial obligations. The statements of cash flow for 2020 and 2021 show sufficiently positive cash flows from operations to allow the Group to fully discharge its current obligations. Biotage has liquid assets that exceed both short-term and long-term obligations by a significant margin. In a long-term perspective, the Group's liquidity and financing risk is the risk that it may become dependent on credit facilities or capital contributions for its expansion. This risk is managed by means of liquidity planning and liquidity monitoring and by ensuring good relations are maintained with lending institutions and major shareholders.

A maturity analysis of contractual payment commitments related to the Group's financial liabilities is presented in the tables below. The amounts in these tables are not discounted values and, where appropriate, they include interest payments that make it impossible for the amounts to match the amounts reported in the balance sheets. Interest payments are determined based on the conditions that apply on the reporting date. Amounts in foreign currency are converted to SEK at the rates on the reporting date.

There is no significant difference between the liability on 12/31/2021 and the actual payment including interest, i.e., undiscounted cash flows.

9.2 The Group's risk management

Biotage has a Risk Management Policy and conducts an annual internal risk audit based on a survey that all managers and all regional managers are asked to complete, after which a compilation of the Group's overall risks and their management is made. To deal with the effects of the financial risks associated with Biotage operations and financial management,

the Board has established a financial policy for the Group. This policy is designed to facilitate the Group's financial work and alleviate the economic consequences of financial risks.

The strategy is for the central finance function at head office to manage currency risk for the entire Group. Because the Group engages in operations, production and sales in a number of countries, it has a certain income statement exposure as a result of its income and expenses being in different currencies. This exposure may be affected by factors such as choice of currency for sales and purchases. Similarly, the Group's assets, liabilities and equity in its wholly-owned subsidiaries, and receivables from/liabilities to external customers and suppliers in different currencies result in balance sheet exposure and currency risk. This exposure is largely managed by choice of currency for sales and purchases, loans and foreign currency investments.

Biotage aims to minimize the currency risk that arises in commercial flows. Speculative measures to exploit exchange rate volatility by entering into transactions without some underlying commercial flow or imbalances are not permitted. Credit risk associated with trade receivables must be monitored on an ongoing basis.

Available liquidity must be managed by the CFO or a person designated by the CFO. The necessary credit facilities for business financing must be in place in the Swedish companies and the foreign companies as far as possible. For foreign companies, the purpose of operating loans is to reduce currency exposure, cover working capital requirements, offset liquidity fluctuations and avoid unnecessary excess liquidity in individual subsidiaries.

Effects of financial instruments on the Group's results and financial position

The Group's financial instruments, as reported in the consolidated statement of comprehensive income or additional information, are essentially based on transactions associated with the Group's business operations. Biotage does not engage in active trading or conduct transactions in financial instruments other than for the development, production and sale of the Company's products and services. The main financial instruments are trade receivables, other operating receivables, trade payables and other operating liabilities. Exchange rate movements have historically had a material impact on the Group's result and position.

Financial risks of the covid-19 pandemic

If the financial position of our customers weakens based on the covid-19 pandemic, it can affect Biotage in terms of their ability to pay, which could lead not only to longer payment periods but also to eventual credit losses. Biotage has not been affected in this respect so far.



Summary of Significant Accounting and Measurement Policies for the Group and Parent Company

Biotage has a strong financial position, but if the pandemic's course is protracted, it may have an adverse effect on financially strong companies like Biotage. However, it is still too early to draw any conclusions about credit losses and impairment due specifically to the coronavirus pandemic. The same applies to general impairment of other asset classes. No general impairment due to the coronavirus pandemic has been identified to date.

9.3 Capital management

Biotage defines capital as equity; see the report on the financial position. The Group's capital management objective is to safeguard its ability to conduct operations and generate reasonable returns for shareholders and value for other stakeholders. The Group monitors its capital structure on the basis of the equity/assets ratio, which is calculated as equity divided by total assets. At the end of the year, the equity/assets ratio was 69 (69) percent for the Group and 62 (83) percent for the Parent Company.

Financial liabilities, December 31, 2021	Within 3 months	3-12 months	1-5 years	After 5 years	Total
Liabilities to credit institutions	-	-	150	-	150
Trade and other payables	56	23	30	-	109
Total	56	23	180	-	259

Financial liabilities, December 31, 2020	Within 3 months	3-12 months	1-5 years	After 5 years	Total
Liabilities to credit institutions	-	-	110	-	110
Trade and other payables	79	60	81	-	220
Total	79	60	191	-	330

Cash outflow	Group		Parent Company	
	2021	2020	2021	2020
Lease and rental agreements during year	28	23	-	-
Remaining rental and lease payments				
Within one year	23	21	1	-
Between one and five years	30	31	-	1
After five years	-	-	-	-
Total	53	52	1	1

Leases comprise rental contracts for premises and vehicle leases. A number of car leases expired during the year and were replaced with new ones. Variable lease payments and covenants only occur to a minor extent in existing leases. Extension options have been included in the lease liability to the extent that it is considered reasonably certain that the options will be exercised.

Total cash outflow for leases during the year, including low-value and short-term leases, amounted to SEK 30 (24) million. Leases signed by foreign subsidiaries involve a translation risk for the Group, corresponding to what the effect would have been in the case of a direct acquisition of the leased asset. The table below shows right-of-use assets and lease liabilities grouped into different currencies at the reporting date.

	Right of use asset	
	%	Lease liability %
SEK	35	35
USD	12	12
GBP	10	10
JPY	11	11
CNY	22	22
KRW	3	3
EUR	6	6
INR	1	1
Total	100	100

Summary of Significant Accounting and Measurement Policies for the Group and Parent Company

Residual value guarantees, which only exist in Swedish leases for vehicles, amounted to SEK 3 million on December 31, 2021.

AMOUNTS RECOGNIZED IN THE INCOME STATEMENT

Depreciation of right-of-use assets	22
Interest expenses, lease liabilities	1
Costs attributable to short-term leases	1
Costs attributable to low-value leases	1
Total	25

Net sales by currency	2021			2020		
	Currency thousands	SEK millions	Distribution %	Currency thousands	SEK millions	Distribution %
USD	63,608	546	44	59,914	551	50
EUR	20,826	211	17	16,267	170	16
GBP	10,235	121	10	5,979	71	6
JPY	1,418,431	111	9	1,246,989	107	10
CNY	83,237	111	9	56,675	76	7
KRW	6,860,918	51	4	5,825,515	46	4
CAD	5,503	38	3	4,143	28	3
SEK	34,915	35	3	33,711	34	3
INR	46,941	5	-	35,006	4	-
CHF	277	3	-	449	4	-
NOK	-	-	-	297	-	-
Total SEK million		1,232			1,092	100

Net assets by foreign currency, December 31	2021			2020		
	Currency thousands	SEK millions	Distribution %	Currency thousands	SEK millions	Distribution %
USD	28,374	257	19	48,027	393	40
GBP	2,099	26	2	10,331	115	12
CNY	13,389	19	1	41,579	52	5
JPY	296,516	23	2	593,910	47	5
EUR	-1,512	-15	-1	3,794	38	4
KRW	625,109	5	-	3,248,792	25	2
CAD	-	-	-	588	4	0
CHF	19	-	-	296	3	0
INR	-2,410	-	-	8,179	1	-
SEK	1,024,591	1,025	75	313,024	313	32
Total SEK million		1,371	100		990	100



Summary of Significant Accounting and Measurement Policies for the Group and Parent Company

10 Significant accounting estimates

When preparing the consolidated and Parent Company's financial statements, the Board and CEO make a number of judgments and estimates that may affect the reported financial position and results.

Estimation uncertainty

Accounting estimates and assessments are evaluated regularly. They are largely based on historical experience and expectations about future events which are considered reasonable in the present circumstances. Certain accounting estimates and assumptions are of particular significance when measuring assets and liabilities in the balance sheet. Goodwill is the balance sheet item with the greatest risk of value changes as a result of adjusted assumptions or estimates. The most significant judgments used in the measurement of assets and liabilities are based on assumptions regarding the future scope for marketing the Group's products and services in volumes and at prices that allow a reasonable economic return. Scope for future sales is highly dependent on the Group's access to technical expertise for the production of new and improved products and on the level of customer investment in new product development, knowledge and methods in the scientific areas in which the Group's products are used. The estimated success of the Group's objective to broaden its products' areas of application also affects overall estimates of sales figures and financial results for Biotage.

Impairment testing of goodwill and other assets

Goodwill is tested for impairment annually when the annual financial statements are prepared, or as soon as impairment is indicated by changes. Goodwill testing involves calculating the recoverable amount of the cash-generating unit to which the carrying amount of goodwill is allocated, which for Biotage is the Group as a whole, as it consists of one single operating segment. The forecasts of the Group's expected cash flows used in the calculations (discounted cash flow) are determined by members of Biotage management, who base their judgment on past experience and the Company's own expectations about the future. During impairment testing, management makes a number of other assumptions when applying the discounted cash flow model and these may have a significant effect on the measurement result. See also note 11 for a description of key assumptions and sensitivity analysis. An impairment loss is recognized in the income statement if the carrying amount exceeds the recoverable amount. At the end of the year, the Group's goodwill was SEK 741 (290) million.

Acquired trademark assets are also tested for impairment annually or more frequently if changes indicate impairment. The recoverable amount for the Group's capitalized trademarks is measured for the Group as a whole, as the Group consists of one single operating segment and one cash-generating unit. At the end of the year, the value of the Group's trademarks was SEK 26 (23) million. See also note 12.



Summary of Significant Accounting and Measurement Policies for the Group and Parent Company

Capitalized development expenditure

Development expenses are capitalized in accordance with the accounting principles in section 6.1 Intangible assets på sidan 65.

In accordance with IAS 38, Biotage capitalizes its development expenses on the basis of a measurement of each project's expected contribution to the Group's sales revenue and cash flows. Projects are measured at cost. An item is derecognized in the statement of financial position when the product is no longer marketed or the technology is no longer used by Biotage, or when it is only expected to generate sales revenue on a limited scale. Preparation of the consolidated financial statements involves reviewing the carrying amounts of products and projects in progress in the statement of financial position. As this is based on an assessment of the product's or the technology's expected demand, use and price, it is subject to some uncertainty. Impairment losses may also arise from rapid technological development and improved products from competitors. At the end of the year, the Group's capitalized development expenditure was SEK 128 (122) million. See also note 12.

Biotage reports amortization and impairment of capitalized development costs under the item research & development expenses. Another possible income statement presentation would have been to report all or part of the above-mentioned amortization charge under cost of sales. Had the Company reported the year's full amortization charges and impairment for these assets in this way, cost of sales would have increased and research & development expenses would have decreased by SEK 24 (22) million. This would not therefore have had any effect on operating profit. Capitalization of development costs has reduced research & development expenses by SEK 30 (38) million.

Deferred tax asset

Biotage recognizes tax loss carryforwards on the basis of how they are expected to be utilized against future profit and the extent to which the Company can demonstrate that it is probable that such profit will be available in future periods before the unused tax losses expire. Tax loss carryforwards are mainly associated with US companies. When determining the value of tax losses carried forward, an assessment is made of the coming year's tax credits and the countries in which they are expected to occur. Biotage bases this on management's assessments of each company's development and results in future years. Should the Group be unable to realize its plans, an impairment loss would have to be recognized for this item. Similarly, the value of tax losses can be affected by changes in legislation regarding their utilization and changes in tax rates. After reduction by the used amount and based on a new assessment at the end of the year, recognized deferred tax assets arising from unused tax losses amounted to SEK 6 (12) million, corresponding to a tax effect of SEK 31 (69) million in historical tax losses. See also note 23.

Intra-group loans as increased net investment

Intra-group balances are reviewed continuously. Loans from the Parent Company to subsidiaries take place, but it has been assessed that they will not be repaid in the near future. Such loans are considered, in accordance with IAS 21, increased net investment, which means that the currency rate effects on such loans are not measured via the income statement, but in other comprehensive income. As of December 31, 2021, the loan from the Parent Company to Pyrosequencing, Inc. is considered one such loan. This assessment has not changed since the previous reporting date.

Notes

*) For salaried employees in Sweden, the ITP 2 plan's defined-benefit retirement and family pension obligation (or family pension) is covered by insurance through Alecta. According to the Swedish Financial Reporting Board's statement UFR 10 Accounting for ITP 2 Plans Financed by Insurance in Alecta, this is a multi-employer defined-benefit pension plan. The Company did not have access to sufficient information for the 2021 fiscal year to report its proportionate share of the plan's obligations, plan assets and costs, which meant that it was not possible to report the plan as a defined-benefit plan. Consequently, the ITP 2 pension plan insured through Alecta is reported as a defined-contribution plan. The premium for the defined-benefit retirement and family pension is calculated individually and is based on factors that include salary, previously earned pensions and the expected remaining period of service. Expected contributions for ITP 2 insurance covered by Alecta in the next reporting period are SEK 4 (6) million. The Group's share of the total contributions to the plan and its share of the total number of active members in the plan are 0.03179 (0.02289) and 0.01210 (0.01279) percent. The collective consolidation level is the market value of Alecta's assets as a percentage of its insurance obligations calculated by reference to Alecta's actuarial methods and assumptions. This is not consistent with IAS 19. The collective consolidation level is normally allowed to vary between 125 and 155 percent. If Alecta's collective consolidation level falls below 125 percent or exceeds 155 percent, measures must be taken to create the right conditions for the level to return to the normal range. If the consolidation level is too low, an appropriate measure could be to increase the agreed price for new insurance and extension of existing benefits. If the consolidation level is too high, premium reductions could be introduced. At the end of 2021, Alecta's surplus, which was reported as a collective consolidation level, was 172 (148) percent.

NOTE 1 Average number of employees, salaries, employee benefits and social security contributions

	Group		Parent Company	
	2021	2020	2021	2020
BOARD AND SENIOR EXECUTIVES				
A presentation of Board members and senior executives can be found on page 114.				
Board of Directors				
Female	2	2	2	2
Male	4	4	4	4
Total	6	6	6	6
Group Management				
Female	1	1	-	-
Male	2	2	1	1
Total	3	3	1	1
AVERAGE NUMBER OF EMPLOYEES				
Female	150	143	-	-
Male	347	320	1	1
Total	497	463	1	1
SALARIES AND BENEFITS				
Board and CEO	9	6	9	6
Other senior executives	5	4	-	-
Other employees	316	286	-	-
Total salaries and benefits	329	296	9	6
CONTRACTUAL AND STATUTORY SOCIAL SECURITY CONTRIBUTIONS				
Board and CEO	3	2	3	2
Other senior executives	2	2	-	-
Other employees	64	57	-	-
Total contractual and statutory social security contributions	68	61	3	2
Pension expenses *)				
Board and CEO	1	1	1	1
Other senior executives	2	2	-	-
Other employees	19	16	-	-
Total pension expenses	22	19	1	1
Total salaries, social security contributions and pension expenses	420	376	13	10

Average number of employees by country

	2021			2020		
	Total	Male	Female	Total	Male	Female
Parent, Sweden	1	1	-	1	1	-
Subsidiaries, Sweden	99	63	36	97	61	37
US	129	96	33	132	95	37
UK	164	110	54	138	90	47
Germany	16	14	2	15	13	2
France	5	4	1	4	3	1
China	31	24	7	26	21	5
Japan	31	22	9	30	21	9
South Korea	8	4	4	9	7	2
India	12	8	4	10	7	3
Switzerland	1	1	-	1	1	-
Total	497	347	150	463	320	143
Distribution %		70%	30%		69%	31%

Remuneration of Board members and senior executives

Overall principles

The Chairman and members of the Board are paid the fees adopted by the annual general meeting. The President & CEO receives a basic salary, variable pay, other benefits and a pension. For the previous CEO, the basic salary for 2021 was adjusted with an increase making the total salary expense neutral for the company, as the social security expenses decreased when the retirement age of 64 years was reached in 2017. Other senior executives also receive a basic salary, variable pay, other benefits and a pension. Group management is made up of other senior executives (two individuals) and the President & CEO. The basic salary to variable pay ratio must be proportional to responsibility and authority. The President & CEO receives variable pay, which is linked to the Group's annual results, up to a maximum of 100 percent of his fixed annual salary. Other senior executives receive variable pay up to a maximum of 40 percent of their basic salary. Along with other remuneration, the senior executives participate in the performance-based share programs (LTIP). See below for guidelines and descriptions of programs determined by AGM resolution.

Salaries, fees and other benefits in 2021, accrued expenses

SEK thousands	Board fees	Basic salary	Variable pay	LTIP	Other benefits	Pension expense	Other remuneration ¹⁾	Total
CHAIRMAN OF THE BOARD:								
Torben Jørgensen	732	-	-	-	-	-	-	732
BOARD MEMBERS:								
Thomas Eklund	317	-	-	-	-	-	-	317
Mark Bradley	262	-	-	-	-	-	-	262
Peter von Ehrenheim	307	-	-	-	-	-	-	307
Åsa Hedin	287	-	-	-	-	-	-	287
Karolina Lawitz	287	-	-	-	-	-	-	287
Total accrued cost of fees paid to Board members in 2021	2,190	-	-	-	-	-	-	2,190
CEO Tomas Blomquist	-	3,300	3,300	1,541	123	904	327	9,496
Other senior executives (3 individuals)	-	3,847	642	681	124	2,263	332	7,888
Total for 2021	-	7,147	3,942	2,222	247	3,167	659	17,384

¹⁾ The amount under other remuneration is mainly vacation allowances paid in accordance with the Swedish Annual Leave Act.

Salaries, fees and other benefits in 2020, accrued expenses

SEK thousands	Board fees	Basic salary	Variable pay	LTIP	Other benefits	Pension expense	Other remuneration ¹⁾	Total
CHAIRMAN OF THE BOARD:								
Torben Jørgensen	377	-	-	-	-	-	-	377
BOARD MEMBERS:								
Thomas Eklund	266	-	-	-	-	-	-	266
Mark Bradley	225	-	-	-	-	-	-	225
Peter Ehrenheim	304	-	-	-	-	-	-	304
Åsa Hedin	247	-	-	-	-	-	-	247
Karolina Lawitz	256	-	-	-	-	-	-	256
Total accrued cost of fees paid to Board members in 2020	1,675	-	-	-	-	-	-	1,675
CEO Torben Jørgensen	-	1,289	-65	-	164	-	63	1,452
CEO Tomas Blomquist	-	3,000	-	331	99	1,160	158	4,747
Other senior executives (3 individuals)	-	3,512	5	240	92	1,656	200	5,706
Total for 2020	1,675	7,801	-60	571	355	2,816	421	13,579

¹⁾ The amount under other remuneration is mainly vacation allowances paid in accordance with the Swedish Annual Leave Act. For Torben Jørgensen, an amount of SEK 716,625 has also been included. This relates to retirement contributions paid out in the form of ordinary compensation.



Comments on the tables above and on the previous page

Board

The 2021 annual general meeting adopted Board fees of SEK 2,345,000 for the period until the 2022 annual general meeting, including remuneration for committee work. The Chairman will receive SEK 675,000 and each of the other Board members elected by the general meeting who are not employed by the company will receive SEK 280,000. Moreover, remuneration to members of the Company's Audit Committee will amount to a maximum of SEK 160,000, of which the chairperson receives SEK 90,000 and the other two members SEK 35,000 each, and remuneration to members of the Compensation Committee will amount to a maximum of SEK 110,000, of which the chairperson receives SEK 60,000 and the other two members SEK 25,000 each.

The 2020 annual general meeting adopted Board fees of SEK 1,625,000 for the period until the 2021 annual general meeting. The Chairman's fees accounted for SEK 500,000 of this amount. In addition, a fee for the members of the Audit Committee was adopted, amounting to SEK 145,000, of which SEK 75,000 goes to the chairperson and the fee for the Compensation Committee will amount to SEK 110,000, of which SEK 60,000 goes to the chairperson.

President & CEO

The President & CEO receives a basic annual salary of SEK 3,300,000. In addition to the basic salary, a vacation allowance is paid in accordance with the Swedish Annual Leave Act. The President & CEO also receives variable pay and a pension, and is entitled to termination benefits, which are described below.

Variable pay and other benefits

President & CEO Tomas Blomquist receives variable pay of up to 100 (100) percent of his fixed annual salary, i.e., a maximum of SEK 3,300,000 per year. The Board may also decide to award a discretionary payment.

Pensions

The retirement age for President & CEO Tomas Blomquist is 67 years. The pension premium is 30 percent of the pensionable salary. The pensionable salary is the basic salary.

Termination of employment/termination benefits

The Company's employment contract with Tomas Blomquist as CEO is valid until further notice with a mutual six-month period of notice. If either party terminates the contract, the Company has the right to demand that the CEO resign from his post with immediate effect. However, the CEO is obliged to remain available to the Company during the period of notice to carry out the work deemed necessary by the Board. If the Company terminates the contract, the CEO is – in addition to the salary during the period of notice – entitled to termination benefits equivalent to one year's fixed salary upon termination of the employment relationship.

Guidelines for remuneration of senior executives adopted by the 2020 AGM

The 2020 AGM adopted the following guidelines for remuneration of senior executives. These apply until the 2024 AGM unless the general meeting decides otherwise.

Senior executives consists of the CEO and other members of Group management. If a Board member carries out work for Biotage in addition to Board work, consulting fees or other remuneration can be paid for such work. The guidelines are to be applied for contractual remuneration, and changes that are made to already agreed remuneration, after the guidelines have been adopted by the 2020 AGM. The guidelines do not cover remuneration adopted by the general meeting.

The Guidelines' promotion of the Company's business strategy, long-term interests and sustainability

The Company's business strategy is, in short, to develop innovative and effective solutions for chemical separation and synthesis. The strategy for running a successful operation and achieving the Company's financial objectives consists of seven areas of focus: (i) investment in research and development, (ii) reach new market segments and customer groups, (iii) increased share of aftermarket sales, (iv) enhanced market presence, (v) continuous lean manufacturing improvements, (vi) improvements to reduce our environmental footprint, and (vii) acquisitions. Additional information on the Company's business strategy is available at www.biotage.com.

Successful implementation of the Company's business strategy and safeguarding the Company's long-term interests, including its sustainability, require that the company can recruit and retain qualified employees. This requires that the Company can offer competitive remuneration. These guidelines make it possible to offer senior executives competitive overall compensation.



The Board proposed to the 2020 AGM to adopt a long-term incentive program. However, as this will be decided by the general meeting, it is not included in these guidelines. The program includes the CEO and other senior executives. The performance requirements used to assess the outcome of the program are clearly linked to the business strategy and thus the Company's long-term value creation, including its sustainability. These performance requirements currently include targets concerning development of organic growth, share price and operating profit, measured over the program period. The program also sets out a recommendation for a certain holding time.

Variable pay covered by these guidelines should be aimed at promoting the Company's business strategy and long-term interests, including its sustainability.

Forms of remuneration, etc.

Remuneration should be in line with market salaries and be able to consist of the following components: a fixed annual salary, variable pay, retirement benefits, other benefits and termination benefits. The general meeting can additionally – and independently of these guidelines – adopt share-related and share-price-related compensation.

Fulfillment of criteria for payment of variable pay should be payable over a period of one year and must be limited to a certain percentage, see below, of the fixed annual salary.

CEO

The Company's CEO receives a fixed annual salary and variable pay under the terms of his employment contract. Retirement benefits, including health insurance, should be defined-contribution benefits. Variable pay should not be pensionable. In accordance with the contract, the Company makes a pension provision corresponding to 30 percent of the CEO's fixed annual salary. In addition to the fixed annual salary, the CEO receives variable pay of up to 100 percent of his fixed annual salary each year. The variable part of the remuneration is based on the Company achieving certain predetermined and measurable criteria that may be financial or non-financial or qualitative. The criteria should be designed so that they promote the Company's business strategy and long-term interests, including its sustainability, for example, by having a clear connection to the business strategy or promoting the CEO's long-term development.

Other senior executives

This group consists of two individuals, who report directly to the CEO.

All members of Company management receive a fixed annual salary which is in line with market salaries, and variable pay of up to 40 percent of the fixed annual salary each year. Seventy-five percent of the variable pay is based on the Company achieving predetermined targets and measurable criteria that may be financial or non-financial. The remaining 25 percent is based on predetermined targets related to personal performance and should consist of predetermined and measurable quantitative and qualitative results. The criteria should be designed so that they promote the Company's business strategy and long-term interests, including its sustainability, for example, by having a clear connection to the business strategy or promoting the executive's long-term development.

Retirement benefits, including health insurance, should be defined-contribution benefits unless the executive is covered by a defined-benefit pension under mandatory collective agreement provisions. Variable pay should be pensionable to the extent stipulated by mandatory collective agreement provisions that are applicable to the executive. The pension premiums for defined-contribution pensions can amount to up to 30 percent of the fixed annual salary.

Variable pay and performance requirements

The variable pay is linked to certain predetermined and measurable criteria as indicated above. When the measuring period for fulfillment of criteria for payment of variable pay expires, the extent to which the criteria have been fulfilled will be assessed/determined. The Compensation Committee is responsible for the assessment regarding variable pay to the CEO. The CEO is responsible for the assessment with respect to variable pay to other executives. The assessment regarding financial objectives is based on the latest financial information published by the Company.

Deviation from the guidelines

The Board may decide to temporarily deviate from these guidelines partly or wholly if the Board deems in individual cases that there are special grounds that justify doing so and this is necessary in the Company's long-term interests, including its sustainability, or to secure the Company's economic strength. As indicated above, preparing the Board's decisions on compensation matters is one of the tasks of the Compensation Committee. This includes decisions to deviate from the guidelines.

**Other benefits**

Senior executives may be awarded other customary benefits such as a company car, health care, and life insurance. Such benefits may amount to a maximum value equivalent to seven percent of the fixed annual salary.

Termination benefits

In the event of termination by the Company, the period of notice may not exceed six months. Fixed salaries during the period of notice and termination benefits may not jointly exceed an amount equivalent to the fixed salary for 18 months for the CEO or the other senior executives. In the event of termination by the executive, the period of notice may not exceed six months, with no right to termination benefits.

Moreover, compensation may also be paid for any non-competition undertaking restricting competition. Such compensation will compensate for any loss of income and should only arise to the extent that the former executive lacks termination benefits. The compensation will be based on the fixed salary at the time of termination unless otherwise stipulated by mandatory collective agreement provisions, and will be paid for the period that the non-competition undertaking applies, which should be a maximum of 12 months after termination of employment.

Salary and employment conditions for employees

When preparing the Board's proposal for these guidelines, salaries and employment conditions for the Company's employees were taken into account by incorporating employees' total remuneration, the components of the remuneration and the increase and rate of remuneration over time into the Compensation Committee's and Board's basis of decision in determining the fairness of the guidelines and the limitations they set out.

The decision process for determining, examining and implementing the guidelines

The Board has established a Compensation Committee. The Committee's tasks include preparing the Board's decision on proposals for guidelines for remuneration of senior executives. The Board will draft proposals for new guidelines at least once every four years and submit the proposal for adoption at the AGM. The Guidelines will apply until new guidelines have been adopted by the general meeting. The Compensation Committee will also monitor and evaluate programs for variable pay, application of guidelines for remuneration of senior executives and applicable remuneration structures and remuneration levels in the company. The Compensation Committee members are, apart from Torben Jörgensen, independent in relation to the Company and senior executives. When the Board addresses and decides on remuneration matters, the CEO and other executives are not present, insofar as they are concerned.

Performance share program (LTIP)

In accordance with a resolution of the AGM, Biotage has adopted long-term incentive programs in the form of a performance-based share program ("LTIP 2020" and "LTIP 2021") for employees of the Biotage Group. This includes the CEO, senior executives and other key personnel, meaning that a maximum of 18 individuals within the Biotage Group will be eligible to participate. In the framework of the programs, the company has granted participants rights to performance shares, entailing the right to receive performance shares ("rights") consisting of ordinary shares A) in Biotage, subject to fulfillment of certain conditions. Allotment of performance shares requires, among other things, that the participants retain their position for three years from the date of the allotment of performance shares. See also section 7.3 Employee benefits.

The change in the number of performance shares is shown in the table below.

Number of performance shares	LTIP 2020	LTIP 2021
Opening number January 1, 2021	151,599	-
Newly issued performance shares	-	Expired performance shares
Past due performance shares	-23,780	-
Closing number December 31, 2021	127,819	151,599



Scope and costs of LTIP 2020 and 2021

Nine participants, including the CEO, have been granted 127,819 rights to performance shares under LTIP 2020. Eleven participants, including the CEO, have been granted 151,599 rights to performance shares under LTIP 2021. Both programs are reported in accordance with IFRS 2, which means that the rights are measured on the grant date at the fair value of allotted equity instruments.

The cost of LTIP 2020 for the year amounted to SEK 5 million, including social security contributions. The estimated maximum total cost of LTIP 2020 is SEK 24 million. The cost of LTIP 2021 for the year amounted to SEK 4 million, including social security contributions. The estimated maximum total cost of LTIP 2021 is SEK 30 million.

Effects on key figures and dilution

To secure the allotment of performance shares to the participants, the AGM approved Biotage's issue and repurchase of C shares. Further information about the terms and conditions of the C shares can be found in the appendix to the minutes of the 2020 and 2021 AGM on the Biotage website. The issue and repurchase took place in 2021 at a book value of SEK 1.39 per share. Share capital thus increased by SEK 338,205.

On maximum allotment of performance shares under LTIP, 127,819 ordinary shares will be allotted to participants and 40,161 ordinary shares will be used to cover any social security contributions associated with LTIP 2020. This will have a dilutive effect of about 0.24 percent of the number of ordinary shares in the Company. On maximum allotment under LTIP 2021, 196,183 ordinary shares will be allotted to participants and 47,130 ordinary shares will be used to cover any social security contributions associated with LTIP 2021. This will have a dilutive effect of about 0.37 percent of the number of ordinary shares in the Company.

The average number of shares after dilution is affected by the estimated allotment of shares as of December 31. However, this does not have any material effect on earnings per share before and after dividends. Reporting of allotted rights has increased equity by SEK 7 million during the year. Cash flow is not affected.

NOTE 2 Income statement classified by nature of expense

If Biotage had presented its income statements classified by nature of expense, the composition would have been as follows:

Income statement classified by nature of expense	Group		Parent Company	
	2021	2020	2021	2020
OPERATING INCOME				
Net sales	1,232	1,092	4	3
Operating expenses				
Purchased finished products, inputs, semi-finished products and production services	-361	-299	-	-
Personnel expenses	-420	-381	-12	-9
Other external costs	-145	-155	-10	-13
Recognition of capitalized development expenses	30	38	-	-
Depreciation, amortization and impairment of assets	-75	-78	-2	-1
Other operating items	12	-11	-1	-
Total operating expenses	-960	-886	-25	-23
Operating profit	271	206	-21	-20

NOTE 3 Composition of income

Distribution between products and services

	Group		Parent Company	
	2021	2020	2021	2020
Products, systems	1,112	990	-	-
Service contracts and other services	111	95	4	3
Other sales revenue	9	7	-	-
Total sales revenue	1,232	1,092	4	3

Distribution between customer application areas

	Group	
	2021	2020
Red Tech	279	237
White Tech	831	712
Blue and Green Tech	122	143
Total sales revenue	1,232	1,092

**Revenue by geographical market and product area 2021**

	Organic Chemistry	Analytical Chemistry	Scale-up	Biomolecules	Total
North and South America	189	213	54	25	481
EMEA	151	96	105	8	360
Japan	81	17	10	3	111
China	141	26	6	-	173
EMEA and APAC, Distribution	7	18	3	-	27
South Korea	32	15	5	1	52
India	22	1	3	-	26
Total sales revenue	622	386	186	38	1,232
Sweden's share of sales in Europe					17

Revenue by geographical market and product area 2020

	Organic Chemistry	Analytical Chemistry	Scale-up*	Biomolecules	Total
North and South America	168	206	67	22	463
Europe	128	95	47	8	277
Japan	76	16	13	1	107
China	123	20	5	1	149
EMEA and APAC	10	19	-	1	30
South Korea	31	10	4	1	46
India	18	1	2	-	20
Total sales revenue	553	367	138	34	1,092
Sweden's share of sales in Europe					11



Notes

Revenue by sales channel

	2021	2020
Direct sales through own sales channels	1,176	1,026
Sales through distributors	56	66
Total sales revenue	1,232	1,092

Point in time of transfer of goods and services

	2021	2020
Goods transferred at a point in time	1,112	990
Services transferred at a point in time	45	28
Service contracts and other services transferred over a period of time	74	74
Total sales revenue	1,232	1,092

Distribution between system and aftersales

	2021	2020
Systems	583	531
Services	136	119
Consumables	513	443
Total sales revenue	1,232	1,092

Contractual balances

	12/31/2021	12/31/2020
Contract assets	-	-
Contract liabilities:		
Prepaid income, service contracts	63	58
Contractual balances, net	63	58

Of the contractual liabilities on 12/31/2020, SEK 43 (38) million was recorded as revenue for 2021.

Prepaid service contracts are expected to be recognized as revenue in the following years

2021	-	43
2022	44	7
2023	9	4
2024	5	3
2025	3	1
2026	1	-
2027	-	-
2028	-	-
Total	63	58

Service contracts can be signed by customers who purchase the Company's systems. They normally extend from one to ten years, and are recognized on a straight-line basis over the term of the contract. Costs for obtaining a contract and for services rendered are recognized in the period in which they are incurred. A small proportion of the revenue relates to contract research. This is distributed over the duration of the contract by reference to the project's stage of completion. The contractual balances for these types of revenue are presented above.

Intra-group sales and purchases of products and services:

	Parent Company	
	2021	2020
Parent to subsidiary, services	4	3
Subsidiary to parent	-	-
Total intra-group sales	4	3



Notes

NOTE 4 Administrative expenses

Administrative expenses include the following fees paid to auditors. Audit services include examination of the annual financial statements, interim reports, accounting records, internal control and administration of the business by the CEO and Board. They also include examination of the financial statements of subsidiaries, advice and other assistance relating to observations made during the audit. Other advice and assistance comes under other fees.

	Group		Parent Company	
	2021	2020	2021	2020
FEES TO THE AUDITORS DELOITTE				
Audit services	2	-	1	-
Other assistance arising from audit	-	-	-	-
Tax advisory services	-	-	-	-
Other advice and assistance	-	-	-	-
FEES TO THE AUDITORS DELOITTE				
Audit services	-	2	-	2
Other assistance arising from audit	-	-	-	-
Tax advisory services	-	-	-	-
OTHER AUDITING FIRMS				
Audit services	-	-	-	-
Other assistance arising from audit	-	-	-	-
Tax advisory services	-	-	-	-
Total	2	2	1	2

NOTE 5 Leases and rental agreements

Leases where the Group is the lessee are recognized in the statement of financial position as a lease liability and a right-of-use asset. Short-term leases (less than one year) and low-value leases are recognized as an expense in the period to which they

relate and are therefore not included in the liability. See note 10 for information about right-of-use assets and Summary of significant accounting and measurement policies for the Group and Parent Company, section 9.3.

NOTE 6 Depreciation, amortization and impairment of assets

Depreciation, amortization and impairment by class of assets

	Group		Parent Company	
	2021	2020	2021	2020
Capitalized development expenditure	24	22	-	-
Patents, licenses and trademarks	16	16	1	1
Land and buildings	-	-	-	-
Right-of-use assets	22	23	-	-
Improvement of third-party property	1	2	-	-
Plant and machinery	11	11	-	-
Total depreciation/amortization	74	74	1	1
Disposals	1	-	1	-
Total depreciation/amortization and impairment	75	74	2	1

Depreciation, amortization and impairment by function of expense

	Group		Parent Company	
	2021	2020	2021	2020
Cost of sales	11	7	-	-
Distribution costs	21	26	-	-
Administrative expenses	9	13	-	-
Research and development	35	28	2	1
Total depreciation/amortization	75	74	2	1

Amortization and impairment of capitalized research and development expenditure is part of research & development expenses.

NOTE 7 Other operating income

	Group		Parent Company	
	2021	2020	2021	2020
Exchange differences	16	19	-	-
Other operating income	1	1	-	-
Total other operating income	17	20	-	-

**NOTE 8 Finance income, finance costs and borrowing**

	Group		Parent Company	
	2021	2020	2021	2020
FINANCE INCOME:				
Interest income on financial assets	-	-	-	-
Profit/loss from investments in Group companies	-	-	9	-
Interest income on receivables from Group companies	-	-	3	3
Exchange gains from financing measures, net	-	-	8	-
Remeasurement of additional consideration	10	25	-	-
Group contributions received	-	-	29	101
Total	10	26	49	104
FINANCE COSTS:				
Interest expense and similar payments to banks	3	3	2	2
Impairment, investments in associates	-	1	-	9
Exchange gains from financing measures, net	9	5	-	15
Other finance costs	-	-	-	-
Total	12	9	2	26
Net finance income/expense	-2	17	47	78

**NOTE 9 Taxes**

	Group				Parent Company			
	2021	2020	2021	2020	2021	2020	2021	2020
	%	SEK millions	%	SEK millions	%	SEK millions	%	SEK millions
Taxes reported in profit/loss for the year								
Reported profit before tax		269		223		25		58
Tax using parent's applicable tax rate	-20.6	-55	-21.4	-48	-20.6	-5	-21.4	-12
Effect of different tax rates for foreign subsidiaries	-0.9	-2	-1.3	-3	-	-	-	-
Corrections, prior years	-0.7	-2	0.9	2	-1.2	-	-	-
Non-taxable income	0.8	2	2.6	6	9.1	2	-	-
Non-deductible expenses	-0.8	-2	-1.0	-2	-0.5	-	3.3	-2
Other taxable income statement items not included in profit for the year	-0.5	-1	-1.3	-3	-	-	-	-
Other deductible income statement items not included in profit for the year	-	-	1.7	4	-	-	-	-
Utilization of loss carryforwards	2.9	8	7.2	16	-	-	10.2	6
Tax effect of occurrence and reversal of other temporary differences	4.8	13	3.3	7	-4.3	-1	-	-
Other	-0.3	-1	-0.3	-1	-	-	-	-
Current tax expense	-15.2	-41	-9.6	-21	-17.5	-4	-11.2	-7
Reversal of previously recognized loss carryforwards	-2.9	-8	-7.2	-16	-	-	-10.2	-6
Tax effect regarding new assessment of losses	-0.6	-1	-1.0	-2	-	-	-	-
Tax effect of occurrence and reversal of other temporary differences	-4.8	-13	-3.6	-8	-	-	-	-
Effect of change in tax rate	-0.9	-2	0.1	-	-	-	-	-
Other	0.4	1	-	-	-	-	-	-
Deferred tax expense	-8.7	-23	-11.7	-26	-	-	-10.2	-6
Total tax reported in consolidated and parent income statements	24.0	-65	-21.3	-47,398	-17.5	-4	21.4	-13
Items in other comprehensive income		67		-62				-
Tax effects of these items		-4		3				-

**NOTE 10 Property, plant & equipment****Land and buildings**

	Group	
	12/31/2021	12/31/2020
Cost		
Opening balance, January 1	15	17
Acquisitions during the year	1	-
Sub-total	16	17
Translation differences for the year	2	-2
Closing balance, December 31	18	15
ACCUMULATED DEPRECIATION AND IMPAIRMENT		
Opening balance, January 1	-6	-6
Depreciation for the year	-	-
Sub-total	-6	-7
Translation differences for the year	-1	1
Closing balance, December 31	-7	-6
Carrying amount	11	9

Improvement of third-party property

	Group	
	12/31/2021	12/31/2020
COST		
Opening balance, January 1	13	14
Acquisitions during the year	10	-
Sub-total	23	15
Translation differences for the year	1	-1
Closing balance, December 31	24	13
ACCUMULATED DEPRECIATION AND IMPAIRMENT:		
Opening balance, January 1	-10	-9
Depreciation for the year	-1	-2
Sub-total	-11	-10
Translation differences for the year	-1	1
Closing balance, December 31	-12	-10
Carrying amount	12	4

Plant and machinery

	Group	
	12/31/2021	12/31/2020
COST		
Opening balance, January 1	123	126
Acquisitions during the year	14	18
Investments in subsidiaries for the year	27	-
Reclassifications	-	-
Disposals during the year	-3	-10
Sub-total	161	134
Translation differences for the year	10	-11
Closing balance, December 31	171	123
ACCUMULATED DEPRECIATION AND IMPAIRMENT:		
Opening balance, January 1	-83	-88
Depreciation for the year	-11	-11
Investments in subsidiaries for the year	-21	-
Disposals/impairment during the year	2	10
Sub-total	-113	-90
Translation differences for the year	-6	7
Closing balance, December 31	-119	-83
Carrying amount	52	40

Right-of-use assets

	Group	
	12/31/2021	12/31/2020
COST		
Opening balance, January 1	88	80
Acquisitions during the year	22	20
Disposals during the year	-5	-7
Sub-total	105	93
Translation differences for the year	5	-5
Closing balance, December 31	110	88
ACCUMULATED DEPRECIATION AND IMPAIRMENT:		
Opening balance, January 1	-37	-21
Depreciation for the year	-22	-23
Disposals/impairment during the year	3	4
Sub-total	56	-40
Translation differences for the year	-2	2
Closing balance, December 31	-58	-37
Carrying amount	52	51

The carrying amount for right-of-use assets, SEK 52 million, is distributed as follows – premises: SEK 41 million and vehicles: SEK 11 million.

NOTE 11 Goodwill

	Group	
	12/31/2021	12/31/2020
Cost:		
Opening balance, January 1	744	770
Investments in subsidiaries for the year	421	-
Sub-total	1,165	770
Translation differences for the year	30	-26
Closing balance, December 31	1,195	744
Opening impairment	-454	-454
Total amortization and impairment	-454	-454
Closing accumulated impairment	-454	-454
Carrying amount	741	290

Goodwill impairment testing

Preparation of the 2021 annual financial statements included goodwill impairment testing. Management monitors goodwill for the Group as a whole and the Group consists of one operating segment. The recoverable amount for the cash-generating unit has been assessed based on estimated value in use. This also included calculation of projected cash flows from the Group's operations. The cash flows are based on the Group's budget for 2022 and business forecasts for 2023–2026 and thereafter. The budget and forecasts are based on management's past experience and as far as possible on external sources of information. Key parameters in the calculation of the recoverable amount are estimated sales growth and operating profit. Assumptions about the gross margin and development of other operating expenses have greatest impact on the assessment of operating profit and also sales growth.

An assumption of annual sales growth of 8.0 (4.0) percent has been used in the impairment testing until the end of the forecast period in 2026. After this period, the assumed growth rate will be 2.0 (0.0) percent, which Biotage believes to be a reasonable estimate of the economy's long-term growth rate. A sensitivity analysis shows that an adjustment of 2 percent in

the discount rate, a change of 4 percent in sales growth during the forecast period or an adjustment of 5 percent in the gross margin would not give rise to impairment. The discount rate is lower for 2021 in comparison with 2020, which is partly due to a changed assessment of the market's risk premium.

	2021	2020
Equity financing	8.27%	9.24%
Debt financing	2.33%	2.33%
Average based on Group's capital structure	8.23%	9.07%
The pre-tax discount rate has been calculated as:	9.98%	11.72%



Notes

NOTE 12 Other intangible assets**Capitalized development expenditure**

	Group		Parent Company	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Cost:				
Opening balance, January 1	293	255	-	-
Acquisitions during the year	30	38	-	-
Closing balance, December 31	322	293	-	-

ACCUMULATED AMORTIZATION AND IMPAIRMENT:

Opening balance, January 1	-171	-149	-	-
Amortization for the year	-24	-22	-	-
Closing balance, December 31	-194	-171	-	-
Carrying amount	128	122	-	-

Patents, licenses, trademarks, etc.

	Group		Parent Company	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Cost:				
Opening balance, January 1	220	235	17	15
Acquisitions during the year	4	4	2	1
Acquisitions	60	-	-	-
Reclassifications	-	-	15	-
Disposals during the year	-35	-	-2	-
Sub-total	248	239	32	17
Translation differences for the year	15	-19	-	-
Closing balance, December 31	263	220	32	17

ACCUMULATED AMORTIZATION AND IMPAIRMENT:

Opening balance, January 1	-91	-80	-5	-4
Amortization for the year	-17	-16	-1	-1
Reclassifications	-	-	-15	-
Disposals during the year	34	-	2	-
Sub-total	-73	-96	-19	-5
Translation differences for the year	-4	5	-	-
Closing balance, December 31	-78	-91	-19	-5
Carrying amount	185	129	13	12

Total property, plant & equipment and intangible assets reported:

	Group		Parent Company	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Land and buildings	11	9	-	-
Improvement of third-party property	12	4	-	-
Plant and machinery	52	40	-	-
Sub-total, property, plant & equipment	75	53	-	-
Right-of-use assets	52	51	-	-
Goodwill	741	290	-	-
Capitalized development expenditure	128	122	-	-
Patents, licenses, trademarks, etc.	185	129	13	12
Sub-total, other intangible assets	313	251	13	12
Total carrying amount of property, plant & equipment and intangible assets	1,182	645	13	12

	Group		Parent Company	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Distribution by country:				
Sweden	277	283	13	12
US	327	308	-	-
UK	554	42	-	-
Japan	6	5	-	-
China	12	2	-	-
Other countries	5	4	-	-
Total	1,182	645	13	12

Notes

NOTE 13 Investments in associates

	Group		Parent Company	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Opening cost	-	14,615	-	19,284
Share of profit/loss	-	-1,370	-	-
Impairment	-	-838	-	-8,868
Translation differences	-	-1,991	-	-
Reclassification to other financial securities	-	-10,416	-	-10,416
Closing accumulated cost	-	-	-	-

NOTE 14 Financial assets

	Group		Parent Company	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Other securities	10	10	10	10
Miscellaneous non-current receivables	-	-	-	-
Miscellaneous long-term deposits	4	2	-	-
Total financial assets	14	12	10	10

NOTE 15 Inventories

	Group	
	12/31/2021	12/31/2020
Raw materials and consumables	57	31
Products in progress	31	17
Finished products	149	111
Total inventories	237	160

Obsolescence of SEK 2 (2) million was recognized during the year. The obsolescence reserve on December 31 was SEK 20 (17) million.

NOTE 16 Trade and other receivables

	Group		Parent Company	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Trade receivables (a)	180	194	-	-
Prepayments and accrued income (b)	19	13	2	2
Other current receivables (c)	27	13	8	1
Total trade and other receivables	226	220	10	3

Management believes that the carrying amount of trade receivables, net of the allowance for expected credit losses, corresponds to their fair value. The entire allowance for expected credit losses relates to trade receivables.

(a) Change in allowance for expected credit losses on trade receivables	Group		Parent Company	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Allowance for expected credit losses at beginning of year	-5	-3	-	-
Trade receivables written off during the year	-	3	-	-
Allowance for expected credit losses for the year	-	-7	-	-
Reversal of unused amounts	2	2	-	-
Total expected credit losses	-2	-5	-	-



Notes

Aging of trade receivables, Group	12/31/2020		
	Expected Gross	Expected credit losses	Trade receivables
Not due	151	-1	150
Past due, 1-30 days	33	-	33
Past due, 31-60 days	3	-	3
Past due, > 61 days	11	-4	8
Total	199	-5	194

Aging of trade receivables, Group	12/31/2021		
	Expected Gross	Expected credit losses	Trade receivables
Not due	139	-1	138
Past due, 1-30 days	31	-	30
Past due, 31-60 days	8	-	8
Past due, > 61 days	6	-1	4
Total	182	-2	180

The assessment of expected credit losses is made at the time of invoicing. Expected credit losses on trade receivables are estimated according to the simplified matrix model. This model is based on previous experience of actual losses in each billing currency, but also takes into account prospective factors such as expected general economic trends within the customers' sectors. The calculation is made alongside an individual assessment, in which relevant current circumstances and knowledge of customers may lead to a change in the credit loss allowance.

(b) Prepayments and accrued income	Group		Parent Company	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Prepaid rents	4	4	-	-
Prepaid insurance	3	4	1	1
Other items	11	6	1	1
Total	19	13	2	2

(C) OTHER CURRENT RECEIVABLES

VAT	13	8	-	-
Income tax	1	1	-	0
Other current receivables	13	5	8	1
Total	27	13	8	1

NOTE 17 Appropriation of profit

Proposed appropriation of profit for the fiscal year, SEK

Amounts at the disposal of the annual general meeting:

Share premium reserve	257,542,096
Retained earnings	455,337,478
Profit for the year	26,159,193
Total	739,038,767

Board and CEO's proposed appropriation:

Dividend payment of SEK 1.55 per share to shareholders	102,274,851
Carried forward	636,763,916
Total	739,038,767

NOTE 18 Liabilities to credit institutions

	Group		Parent Company	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Current portion	-	-	-	-
Non-current portion				
Credit facilities: Credit granted	250	150	250	150
Unused part of the revolving credit facility	-100	-40	-100	-40
Total	150	110	150	110

No assets have been pledged for credit. Of the non-current liabilities the entire amount is due between one and five years from the reporting date. The lender has set covenants for the loan in the form of the Net debt/EBITDA ratio (cash and cash equivalents less interest-bearing liabilities divided by operating profit before interest, taxes, depreciation and impairment) and the interest coverage ratio defined as EBITDA/Net financial items. Both covenants have been met by a good margin.

**NOTE 19 Financial assets and liabilities****Classification**

Classification of financial instruments, which is described in section 6.6, is as follows:

		Carrying amount		Carrying amount
	Classification	12/31/2021	Classification	12/31/2020
ASSETS				
Non-current receivables	1)	4	1)	2
Other securities held as non-current assets	2)	10	2)	10
Trade receivables	1)	180	1)	194
Other current receivables	1)	27	1)	13
Cash and cash equivalents	1)	311	1)	371
Total		532		591
LIABILITIES				
Non-current liabilities to credit institutions	1)	150	1)	110
Trade payables	1)	56	1)	51
Additional consideration	2)	47	2)	52
Short and long-term lease liability	1)	53	1)	52
Other current liabilities	1)	24	1)	7
Accrued expenses	1)	91	1)	58
Total		421		330

1) Financial assets and liabilities at amortized cost

2) Financial assets and liabilities at fair value through profit or loss

3) Financial assets and liabilities at fair value through OCI

NOTE 20 Measurement of financial assets and liabilities**Assets and liabilities at amortized cost**

Group	Total
FINANCIAL ASSETS AT AMORTIZED COST	
Non-current receivables	2
Current receivables	207
Cash and cash equivalents	371
Closing balance 12/31/2020	581
Non-current receivables	4
Current receivables	207
Cash and cash equivalents	311
Closing balance 12/31/2021	522
FINANCIAL LIABILITIES AT AMORTIZED COST	
Non-current liabilities	141
Current liabilities	138
Closing balance 12/31/2020	279
Non-current liabilities	180
Current liabilities	194
Closing balance 12/31/2021	374

It is the assessment that the fair value of loans does not differ materially from the carrying amount, as interest rates are essentially variable.

Assets and liabilities at fair value

A fair value calculation based on discounted future cash flows, for which the most significant input is a discount rate that reflects the counterparty's credit risk, is not expected to differ significantly from the carrying amount of financial assets and current financial liabilities measured at amortized cost. Consequently, the carrying amounts of these financial assets and liabilities are considered to represent a good approximation of the fair values. There were no transfers between the levels during the periods. The tables below provide information on how fair value is determined for financial instruments measured at fair value in the statement of financial position. Fair value is determined on the basis of inputs in one of the following three levels:

Notes

- » Level 1: inputs that are quoted prices in active markets for identical instruments
- » Level 2: inputs other than quoted market prices in Level 1 that are directly or indirectly observable market data
- » Level 3: inputs that are not observable in the market

Measurement of other securities held as non-current assets (Level 2)

Biotage has a financial asset in the form of shares in Chreto ApS, reported as investments in associates until the fourth quarter of 2020. The holding is measured at fair value through profit or loss

from the date of reclassification and has been allocated to Level 2 of the fair value hierarchy on the basis that the issue prices in the fourth quarter of 2021 are observable market data. The holding has, as of December 31, been measured at the last known transaction price, which is equivalent to the price at the time of the new issue that brought about the reclassification from associates to other financial assets.

Measurement of derivatives (Level 3)

The fair value of derivatives used for hedging is determined by discounting future cash flows using a discount rate that reflects the counterparty's credit risk. Future cash flows are estimated based on the Swedish Central Bank's quoted exchange rates.

Measurement of additional purchase consideration payable (Level 3)

Biotage has a financial liability in connection with additional consideration for an acquisition, which is measured at fair value through profit or loss. The additional consideration, attributable to the acquisition of PhyNexus Inc., is based on the agreed allocation of gross profit on related products during the period 2019 to 2023. The agreement with the sellers does not include a maximum amount. During the second quarter of 2020, management assessed that the launch of a new instrument would be delayed, which entailed a delay of the sale. This affected the value of the additional purchase consideration, as it has a fixed period until 2023.

The tables below present a reconciliation of opening and closing balances for instruments measured at fair value.

Group	Total	Level 1	Level 2	Level 3
FINANCIAL ASSETS AT FAIR VALUE				
Other securities held as non-current assets	10	–	10	–
Closing balance 12/31/2020	10	–	10	–
Other securities held as non-current assets	10	–	10	–
Closing balance 12/31/2021	10	–	10	–
FINANCIAL LIABILITIES AT FAIR VALUE				
Additional consideration	52	–	–	52
Closing balance 12/31/2020	52	–	–	52
Additional consideration	47	–	–	47
Closing balance 12/31/2021	47	–	–	47

There were no transfers between the levels during the periods. The fair value disclosures provided for the Group in respect of derivatives also apply to the Parent Company.

During the second quarter of 2021, an additional consideration payment of SEK 1 million was made based on the acquired company's performance in 2020. For 2021, which is settled in 2021, it has been assessed that the additional consideration amounts to SEK 1 million. The Company's best estimate of the fair value on December 31, 2020 is SEK 47 million. The fair value calculations are based on level 3 of the fair value hierarchy, which means that the fair value was determined on the basis of a valuation model using significant inputs that are unobservable. Measurement was based on expected future cash flows, discounted using a market interest rate. The fair value measurement of the additional consideration entails a net value adjustment of SEK 9 million, which is reported in the consolidated income statement in net financial items, as Biotage has assessed that the liability is financial in nature. If sales in the forecast period were to be 10 percent higher than estimated, this would mean a higher provision of 15 percent.

**NOTE 21 Other financial liabilities**

	Group		Parent Company	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
CHANGES DURING THE YEAR				
Opening balance, January 1	53	86	-	-
New financial liabilities during the year	-	-	56	-
Translation differences	4	-8	-	-
Amounts used during the year	-10	-26	-	-
Closing balance, December 31	47	53	56	-
THE LIABILITY CONSISTS OF:				
Non-current portion	45	51	56	-
Current portion	2	2	-	-
Total	47	53	56	-

NOTE 22 Provisions

	Group	
	12/31/2021	12/31/2020
Provision for warranties	10	8
Other personnel-related provisions	3	3
Total provisions	13	11
The provisions consist of:		
Non-current portion	3	3
Current portion	10	8
Total	13	11

Changes during the year, Group	Warranty obligations	Other provisions	Total
Opening balance 1/1/2021	8	3	11
New provisions during the year	10	-	10
Amounts used during the year	-8	-	-8
Closing balance 12/31/2021	10	3	13

Provision for warranties:

Biotage normally provides a one-year warranty on its products. The reported provision for warranties corresponds to a percentage of the year's sales. The percentage is calculated on the basis of actual warranty costs during the fiscal year. The provision for warranties is classified as a short-term obligation as it is considered likely that the warranty obligations will be settled within 12 months of the reporting date.



Notes

NOTE 23 Deferred tax

	Group		Parent Company	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
DEFERRED TAX ASSETS				
Tax loss carryforwards	6	15	-	-
Other deferred tax assets	16	11	-	-
Total deferred tax assets	22	26	-	-
DEFERRED TAX LIABILITIES				
Intangible assets	-65	-28	-	-
Other deferred Tax liabilities	-8	-5	-	-
Total deferred tax liabilities	-73	-33	-	-
Total deferred tax assets and liabilities	-56	-7	-	-

Change in deferred tax	Deferred tax assets	Deferred tax liabilities	Net
GROUP			
January 1, 2020	44	-28	15
Change in other comprehensive income	4	-	4
Recognized in income statement	-22	-4	-26
December 31, 2020	26	-33	-7
January 1, 2021			
Acquisitions	-	-16	-16
Change in other comprehensive income	1	-5	-4
Recognized in income statement	-5	-19	-24
December 31, 2021	22	-73	-56
PARENT COMPANY			
January 1, 2020	6	-	6
Recognized in income statement	-6	-	-6
December 31, 2020	-	-	-
January 1, 2021			
Recognized in income statement	-	-	-
December 31, 2021	-	-	-

Recognition of loss carryforwards

Some of the losses related to US subsidiaries expire in the period 2021-2031. It is estimated that a total of SEK 30 million could be utilized. There is no additional, unrecognized loss in the Group. Further information on accounting principles is provided in section 10 on estimates and assessments.

NOTE 24 Trade and other payables

	Group		Parent Company	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Liabilities to suppliers	56	51	3	1
Other current liabilities	24	7	5	-
Accrued expenses and deferred income (a)	160	118	11	6
Total trade and other payables	240	177	19	8
(A) ACCRUED EXPENSES AND DEFERRED INCOME				
Personnel-related expenses	66	43	8	3
Deferred income	68	60	-	-
Other accrued expenses	25	15	3	3
Total	160	118	11	6

**NOTE 25** Statement of cash flows

	Group		Parent Company	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Other adjustments for non-cash items				
Exchange differences	-	2	-	-
Share of income of associates	-	1	-	-
Capital gain on sale of non-current assets	3	-	-	-
Other	6	5	-	-
Total	9	8	-	-

Reconciliation of liabilities related to financing activities is presented in the table below:

	Liabilities to credit institutions	Leasing liabilities	Total
Opening balance January 1, 2020	-110	-59	-169
Cash flow from financing activities	-	23	23
New leases			
Exchange rate differences			
Other			
Closing balance December 31, 2020	-110	-52	-162
Cash flow from financing activities	-40	24	-16
New leases			
Exchange rate differences			
Other			
Closing balance December 31, 2021	-150	-53	-203

NOTE 26 Shares and interests

	12/31/2021	12/31/2020
PARENT COMPANY		
Opening cost	940	940
Investments during the year	697	-
Mergers	-97	-
Closing accumulated cost	1,540	940
Opening impairment	-468	-468
Mergers	62	-
Closing accumulated impairment	-406	-468
Closing accumulated carrying amount	1,134	472



Notes

Companies owned directly by the Parent

Company name	Reg. No.	Reg'd office	Number of shares	Share of capital	Share of votes	Carrying amount OB 2021	Investments during year	Impairment during year	Carrying amount CB 2021
Biotage Sweden AB	556487-4922	Uppsala, Sweden	19 336 284	100%	100%	276	-	-	276
Pyrosequencing, Inc.	04-3484142	Boston, USA	100	100%	100%	78	-	-	78
Biotage GmbH	HRB 39374	Düsseldorf, Germany	1	100%	100%	-	-	-	-
Biotage SARL	434 715 785	Paris, France	500	100%	100%	-	-	-	-
Biotage Italy S.r.l	IT03617450964	Milan, Italy	1	90%	90%	-	-	-	-
Biotage Ltd.	0126-01-004032	Tokyo, Japan	200	100%	100%	-	-	-	-
ATDBio, Ltd.	05 303 632	Oxford, United Kingdom	1,000	100%	100%	-	697	-	697
Biotage GB, Ltd.	1 033 865	Cardiff, United Kingdom	100	100%	100%	77	-	-	77
Biotage Trading (Shanghai) Co., Ltd	91310115580622067B	Shanghai, China	1	100%	100%	1	-	-	1
Biotage Korea Co., Ltd.	110111-6105476	Seoul, Korea	27,000	100%	100%	2	-	-	2
Biotage India Pvt Ltd	U74999DL2017FTC364509	Mumbai, India	2,045,000	100%	100%	3	-	-	3
Biotage Switzerland GmbH	CHF-426 855 092	Neuhausen am Rheinfall, Switzerland	20	100%	100%	-	-	-	-
Total carrying amount						472	-	-	1,134

During the year, Pyrosequencing AB, CEMU Bioteknik AB and MIP Technologies AB were merged into the subsidiary Biotage Sweden AB.

Companies owned by other subsidiaries

Company name	Owner	Reg. No.	Reg'd office	Number of shares	Share of capital	Share of votes	Carrying amount OB 2021	Carrying amount CB 2021
Biotage LLC	Pyrosequencing, Inc.	04-3535072	Charlotte, USA		100%	100%	203	225
Horizon Technology, Inc.	Pyrosequencing, Inc.	02-0457387	Salem, USA	209,346	100%	100%	146	193
PhyNexus Inc.	Pyrosequencing, Inc.	37-1916129	San Jose, USA	483,332	100%	100%	175	161
Biotage Italy S.r.l	Biotage GmbH	IT03617450964	Milan, Italy	1	10%	10%	-	-
Total							524	579

Changes to the carrying amount of subsidiaries' shareholdings are due to translation differences during conversion to Swedish kronor.

**NOTE 27 Business Acquisitions**

On October 20, 2021, Biotage AB acquired 100% of the share capital of ATDBio Ltd (ATDBio).

The acquisition of ATDBio means that Biotage is providing important platform solutions for the synthesis and purification of DNA and RNA-oligonucleotides. This technology is used for applications in the development of new drugs, molecular diagnostics (such as PCR testing), therapies based on nucleic acids and the new generation technology for DNA and RNA sequencing. The acquisition of the UK company is expected to significantly broaden and strengthen Biotage as a leading supplier of tools and services in the life sciences and impact tech sectors. ATDBio was founded in 2005 by Professor Tom Brown Sr, a recognized expert in nucleic acid chemistry.

ATDBio's expertise in highly complex DNA and RNA production will give Biotage access to this market, as well as expertise in the rapidly growing DNA and RNA-oligonucleotide sectors. It is a market currently driven by the demand for high quality DNA and RNA molecules as well as other oligonucleotide analogues in light of the coronavirus pandemic, plus the potential for other nucleic acid-based therapies, vaccines and molecular diagnostics.

Preliminary information about the purchase consideration, acquired net assets and goodwill is shown below.

Preliminary purchase consideration, million SEK:

Cash and cash equivalents	426
Assumption of liabilities	7
Ordinary shares issued	201
Total purchase consideration	634

The fair value of the 781,991 ordinary shares issued as part of the purchase price for ATDBio, SEK 201 million, is based on the share price for Biotage AB on October 20, 2021, of SEK 256.6 per share.

The final purchase consideration will be determined after a customary review and adjustment, but is not expected to deviate materially from the previous preliminary purchase consideration. All adjustments to the preliminary purchase consideration will consist of cash and cash equivalents, and are expected to take place during the first quarter of 2022.

The fair value of acquired net assets is estimated to be SEK 634 million, and distribution is preliminarily proposed as follows:

Plant and machinery	7
Intangible assets: technology	22
Intangible assets: customer relationships	36
Inventory	2
Trade receivables	10
Other operating receivables	6
Cash and cash equivalents	152
Trade payables	-1
Other operating liabilities	-2
Current liabilities	-3
Deferred tax	-16
Acquired identifiable net assets	213
Goodwill	421
Acquired net assets	634

Goodwill is attributable to the employees and the high profitability in the acquired operations. None of the reported goodwill is expected to be tax-deductible.

Transaction costs related to the acquisition have been expensed on an ongoing basis, and have been charged against earnings in the amount of SEK 8 (o) million and included in administrative expenses in the income statement.

The acquisition affected Group cash flow as follows:

Cash and cash equivalents	-426
Transaction costs	-8
Acquired cash and cash equivalents	152
Total acquisition price	-282



The acquisition contributed income of SEK 10 million and a net profit of SEK 1 million for the period from October 20 to December 31. If the acquisition had been completed January 1, 2021, the consolidated proforma for income and earnings on December 31, 2021 would show SEK 1,291 million and SEK 205 million, respectively. These amounts have been calculated using the subsidiary's result with adjustment for differences in accounting policies between the Group and subsidiary, and additional amortization that would have arisen if the fair value adjustment for intangible assets had been applied as of January 1, 2021, together with attributable tax effects.

Additional consideration

Under certain conditions, additional compensation as described below may be paid to the sellers of ATDBio. The conditions stipulate that certain named key persons be employed by the Group for a period of 1.5–3 years, that a consulting relationship continue, and that the named key persons do not breach certain commitments in accordance with the purchase agreement.

Due to the rules on conditional payments to employees or selling shareholders in IFRS 3 Business Acquisitions, this additional remuneration is not reported as part of the acquisition price, but as a separate payment that is expensed when earned. The reason that the sales force agreement has been designed in this way is the great value that lies in the transfer of expertise from the sales force to Biotage.

Possible undiscounted amounts due under the agreement are either GBP 5 million, corresponding to SEK 61 million as of December 31, 2021, provided that all conditions are met, or SEK 0, in the event that any of the conditions are breached.

The cost is reported over the duration of the conditions, three years from the date of acquisition, as the terms and conditions are met. The reported amount is calculated at present value, so that the cost is divided between operating cost and financing cost.

NOTE 28 Pledged assets and contingent liabilities

	Group		Parent Company	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Guarantees, subsidiaries	-	-	24	29
Total	-	-	24	29
Pledged assets	-	-	-	-

In connection with the acquisition of ATDBio, Ltd., an agreement was reached on additional purchase consideration of GBP 5 million, which may become due if certain conditions are met. The conditions entail that the purchase consideration is recognized over time, and is owed to the extent that it is earned. The excess part, SEK 57 million as of December 31, is a contingent liability. See also note 27 Business acquisitions.

The Parent Company has provided sureties for the following subsidiaries' obligations with the Group's main creditor, Handelsbanken:

Biotage LLC 04-3535072 Charlotte, USA

Biotage GB Ltd 1033865 Cardiff, UK

Biotage Sweden AB 556487-4922 Uppsala, Sweden

**NOTE 29 Related-party disclosures****Subsidiary**

Biotage AB does not engage in any operations described in its business concept; its subsidiaries develop, produce and market the Group's products and services. For this reason, there are considerable transactions between the Parent Company and its subsidiaries, and between subsidiaries themselves. A list of the subsidiaries can be found in note 26.

Summary of transactions with subsidiaries:

Subsidiary	Country	Receivables from subsidiaries		Liabilities to subsidiaries		Services sales (+) purchases (-)		Interest received (+) paid (-)	
		2021	2020	2021	2020	2021	2020	2021	2020
Biotage Sweden AB	SE	-	172	128	-	1	1	-	-
Biotage Sweden AB	SE	-	-	-	-	-	-3	-	-
Cemu Bioteknik AB	SE	-	-	-	-	-	-	-	-
Pyrosequencing AB	SE	-	-	-	-	-	-	-	-
Biotage LLC	US	1	1	-	-	1	1	-	-
Biotage SARL	FR	-	-	-	-	-	-	-	-
Biotage GmbH	DE	16	25	-	-	-	-	1	1
Biotage Ltd.	JP	-	3	-	-	-	-	-	-
Biotage GB Ltd	GB	-	-	-	-	1	1	-	-
ATDBio Ltd	GB	-	-	129	-	-	-	-	-
Biotage Korea Co., Ltd.	KO	-	-	-	-	-	-	-	-
Biotage India Pvt Ltd	IN	-	-	-	-	-	-	-	-
Pyrosequencing, Inc.	US	115	102	-	-	-	-	2	2
Phynexus Inc.	US	-	1	-	-	-	-	-	-
Biotage Switzerland GmbH	CH	-	-	-	-	-	-	-	-
		132	304	257	-	4	-	3	3

Key management personnel in the company or its parent

Payments to the Board and senior executives are outlined in note 1. No other transactions have been conducted with Board members, senior executives or individuals or legal entities that are related parties thereof.

**NOTE 30 Significant events after the reporting date**

There are no significant events to report after the end of the period.

NOTE 31 Changes to estimates and assessments

A review of the classification of costs by function has resulted in a major re-allocation of costs, primarily for the US subsidiary. Costs that were considered to be related to distribution costs in previous years are now classified as administrative expenses. In order to aid readers in comparing periods, the costs for the comparative period are categorized in the consolidated income statement according to the principle that applies from 2021. The change from previously reported figures is shown in the tables below. Comprehensive income for the period has not been affected.

January - December 2020	Previously reported	Change	Reported
Amounts in SEK millions	1/1/2020-12/31/2020		1/1/2020-12/31/2020
Net sales	1,092	-	1,092
Cost of sales	-426	-	-426
Gross profit	667	-	667
Distribution costs	-300	30	-270
Administrative expenses	-76	-30	-105
Research & development expenses	-72	-	-72
Other operating items	-13	-	-13
Total operating expenses	-461	-	-461
Operating profit	206	-	206
Net financial items	17	-	17
Profit before tax	223	-	223
Income tax	-47	-	-47
Profit for the period	175	-	175

NOTE 32 Key figures and performance measures**Alternative performance measures**

The Company presents certain performance measures that are not defined under IFRS. The Company believes that these measures provide useful additional information to investors and Company management as they allow evaluation and benchmarking of its presentation. As not all companies calculate performance measures in the same way, the measures are not always comparable with those used by other companies. These performance measures should therefore not be considered a substitute for measures defined under IFRS. The reported performance measures are not defined under IFRS unless otherwise stated. ESMA's guidelines on alternative performance measures are applied and include disclosure requirements for performance measures not defined under IFRS.

Return on equity

Net profit for the year divided by average equity.

Return on capital employed

Profit after financial items plus finance costs divided by average capital employed.

Return on total assets

Profit after financial items plus finance costs divided by average total assets.

Average number of shares after dilution

Average number of shares after dilution is influenced by the potential shares resulting from the LTIP programs.

	Parent Company	
	12/31/2021	12/31/2020
Average number of shares	65,355,239	65,201,784
Potential shares resulting from LTIP	109,568	6,738
Average number of shares after dilution	65,464,807	65,208,522



Notes

Average equity

Average reported equity at the start and end of the period.

Average capital employed

Average reported capital employed (equity plus interest-bearing liabilities) at the start and end of the period.

Average total equity

Average reported total assets at the start and end of the period.

Gross margin

Gross profit in relation to net sales.

Gross profit

Net sales less cost of sales.

EBIT

In its reports, Biotage uses the performance measure EBIT (Earnings Before Interest and Taxes) as an alternative term for operating profit.

Adjusted EBIT

To make it easier for the reader to grasp the underlying business adjusted for one-time items related to acquisitions, Biotage also reports results in the form of EBIT.

	Group	
	12/31/2021	12/31/2020
EBIT	271	206
Adjustment for additional consideration	4	-
Adjustment for transaction costs	8	-
Adjusted EBIT	283	206

EBITA and adjusted EBITA

Biotage reports EBITA – Earnings Before Interest, Taxes and Amortization. EBITA is calculated as operating profit after adding back amortization of intangible assets.

Group

	12/31/2021	12/31/2020
Operating profit	271	206
Adjustment items:		
Depreciation of acquisition-related assets	12	10
EBITA	284	216

Group

	12/31/2021	12/31/2020
EBITA	284	216
Adjustment for additional consideration	4	-
Adjustment for transaction costs	8	-
Adjusted EBITA	296	216

Equity per share

Equity divided by the number of shares outstanding at the end of the period.

Investments

Acquisition of property, plant and equipment, intangible assets and financial assets during the period.

Net sales at comparable exchange rates, organic growth and average organic growth

As most of the Group's net sales are settled in currencies other than the reporting currency, SEK, the amount recognized is affected by exchange rate changes between periods to a relatively large extent. To enable stakeholders and management to analyze sales trends adjusted for currency effects, the Company reports sales trends compared with the comparative period at constant exchange rates. The current period's sales in each currency are translated at the exchange rates that were used in the reported financial statements for the comparative period.



	12 months			
	2021		2020	
	SEK thousands	%	SEK thousands	%
Change in net sales, %				
Net sales recognized in the comparative period, i.e preceding years	1,092		1,101	
Net sales recognized in the period*	1,232		1,092	
Recognized change	139	12.7	-9	-0.8
Net sales for the period at the comparative period's exchange rates	1,283		1,117	
Change using comparative period's exchange rates	191	17.5	16	1.4

* After adjustment for companies acquired during the year or comparative year.

Organic growth is the change in sales at comparable exchange rates, after adjustment for acquisitions. Average organic growth is calculated by taking the nth roots from the period's organic growth multiplied by each other.

Net cash / Net liabilities

Information on the Group's net cash/net debt, defined as cash less liabilities to credit institutions, lease liabilities, calculated additional consideration and other interest-bearing liabilities, is reported in order to enable stakeholders and management to monitor and analyze the Group's financial strength.

Net liabilities (thousand SEK)	12/31/2021	12/31/2020
Cash	311	371
Liabilities to credit institutions	-150	-110
Lease-related liabilities	-53	-52
Others	-47	-52
Net cash (+)/ net liabilities(-)	61	157

Cash flow from operations per share

Cash flow from operating activities divided by the number of shares outstanding at the end of the period.

P/E ratio

Share price divided by earnings per share.

P/S ratio

Stock market price divided by sales per share outstanding at the end of the period.

Earnings per share *

Net profit for the period divided by the average number of shares during the period.

Operating margin

Operating profit/loss divided by sales.

Operating profit

Profit before net financial items and taxes. Consists of gross profit minus total operating expenses (sales expenses, administrative expenses, research and development costs, other operating income and other operating expenses).

Equity/assets ratio

Equity divided by total assets.

Capital employed

Total assets minus non-interest-bearing liabilities and provisions. Average capital employed is the sum of capital employed at the beginning and end of the fiscal year divided by two.

Total capital

Total assets. Average total assets is the sum of total assets at the beginning and end of the fiscal year divided by two.

Profit margin

Operating profit/loss plus finance income divided by sales.

* Key figure defined under IFRS.



Statement by the Board of Directors

The Board and CEO confirm that the consolidated annual financial statements have been prepared in accordance with international financial reporting standards (IFRS) as adopted by the EU and provide a true and fair view of the Group's financial performance and position. The Parent Company's annual financial statements have been prepared in accordance with generally accepted accounting principles

in Sweden and provide a true and fair view of the Parent Company's financial performance and position. The Board of Directors' report for the Group and Parent Company provides a true and fair overview of the development of their operations, financial position and performance, and describes material risks and uncertainties to which the Parent Company and its subsidiaries are exposed.

The consolidated statement of comprehensive income and statement of financial position and the Parent Company's income statement and balance sheet will be presented for adoption at the annual general meeting on April 28, 2022.

Uppsala, April 7, 2022

Torben Jørgensen

Chairman of the Board

Peter von Ehrenheim

Board Member

Thomas Eklund

Board Member

Åsa Hedin

Board Member

Mark Bradley

Board Member

Karolina Lawitz

Board Member

Daniel Menasco

Employee Representative

Patrik Servin

Employee Representative

Tomas Blomquist

President and CEO

Our Audit Report was submitted on April 7, 2022

Öhrlings PricewaterhouseCoopers AB

Leonard Daun

Authorized Public Accountant



Audit Report

To the general meeting of shareholders of Biotage AB (publ)
corporate identity number 556539-3138

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Biotage AB (publ) for 2021. The company's annual accounts and consolidated accounts are included in this document on pages 47-107.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of December 31, 2021 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of December 31, 2021 and its financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopt the income statement and balance sheet, and the statement of comprehensive income for the parent company and the consolidated statement of financial position for the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/537), Article 11.

Basis for opinions

We conducted our audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibility section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This means that, to the best of our knowledge, no prohibited services referred to in the Audit Regulation (537/2014), Article 5 have been provided to the audited company, or where applicable, to its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Additional disclosure

The audit of the annual accounts and consolidated accounts for 2020 was carried out by a different auditor who issued an auditor's report dated March 26, 2021 with unmodified statements in the report on the annual accounts and consolidated accounts.

Our audit approach

The focus and scope of the audit

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we considered areas where the Managing Director and the Board of Directors made subjective judgments; for example, significant accounting estimates that involved assumptions and forecasts regarding future events that are inherently uncertain. As in all audits, we also addressed the risk of the Board of Directors and the Managing Director overriding internal controls, and considered whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored our audit in order to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the group, the accounting processes and controls, and the industry in which the group operates.



Audit Report

Materiality

The audit's scope and focus were influenced by our assessment of materiality. An audit is designed to obtain reasonable assurance that the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence economic decisions of users made on the basis of these financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including overall group materiality for the financial statements. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of individual and aggregate misstatements on the financial statements as a whole.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of the annual accounts and consolidated accounts as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters.

Key audit matter: Capitalized development costs

The group's recognized capitalized development costs amounted to SEK 128 million. The item is material from a financial reporting perspective.

The group continuously conducts development work. The purpose of the projects is to develop new products and improve existing ones.

Significant accounting estimates include an assessment of whether the requirements for capitalization are met. As part of its impairment testing, the group needed to assess a number of factors, such as future cash flows. Due to the degree of estimation involved, it was our assessment that capitalized development expenditure is a key audit area.

In the summary of significant accounting and measurement policies for the group and parent company, section 6.1 Intangible assets describes the group's recognition and measurement of items and section 10 Significant accounting estimates describes the assessments the group has made.

How our audit addressed the key audit matter

Our audit procedures included the following:

- » We have obtained an understanding of the group's processes for capitalizing development costs and subsequent evaluation.
- » We have examined a sample of the year's capitalized costs to obtain assurance that they qualify for capitalization.
- » We have examined the company's impairment testing.
- » We have examined information provided in the financial statements.

Key audit matter: Timing of revenue recognition

The reporting of various income flows is complex. The group's revenue amounted to SEK 1,232 million and is a material item from a financial perspective.

The group sells systems, reagents and services to distributors and end users globally. There is a risk of incorrectly accrued revenue in connection with delivery of goods. This circumstance in combination with the materiality of the item make this a key matter for our audit.

In the summary of significant accounting and measurement policies for the group and parent company, section 7.1 Revenue recognition describes the group's reporting revenue recognition principles.

How our audit addressed the key audit matter

Our audit procedures included the following:

- » We have obtained an understanding of the group's processes for revenue recognition and evaluated them.
- » Through data analyses and other approaches, we have also examined a sample of transactions to obtain assurance that they are reported according to the group's principles.
- » We have examined information provided in the financial statements.

Information other than the annual accounts and consolidated accounts

This document also contains information other than the annual accounts and consolidated accounts, which is presented on pages 1-46 and 113-119. Information in the "2021 Remuneration report" for the Biotage Group, published on the company's website on April 7, 2022 also comes under other information. The Board of Directors and the Managing Director are responsible for this other information.



Audit Report

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance or conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure, we also take into account our knowledge otherwise obtained in the audit and assess whether the information appears to be materially misstated.

If, based on the work performed concerning this information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and for ensuring that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU, and the Annual Accounts Act. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, the Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, conditions which may affect the ability to continue as a going concern and use of the going concern basis of accounting. However, the going concern basis of accounting is not applied if the Board of Directors and the Managing Director intend to liquidate the company, cease operations, or have no realistic alternative but to do so.

The Board's Audit Committee shall, without prejudice to the Board's responsibilities and tasks in general, among other things, oversee the company's financial reporting process.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable

assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA and generally accepted auditing standards in Sweden will always detect material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these annual accounts and consolidated accounts.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts can be found on the Swedish Inspectorate of Auditors website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the audit report.

Report on other legal and regulatory requirements

Auditor's examination of administration and proposed appropriations of the Group's profit or loss

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Biotage AB (publ) for the year 2021 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the fiscal year.

Basis for opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities in this regard are further described in the Auditor's Responsibility section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal concerning appropriations of the company's profit or loss. Proposing a dividend includes an assessment of whether the



dividend is justifiable considering the requirements that the nature, scope and risks of the company's and the group's operations place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of its affairs. This includes, among other things, continuous assessment of the company's and the group's financial situation, and ensuring that the company's organization is designed so that accounting, management of assets and the company's financial affairs are otherwise controlled in a secure manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters, take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective for the audit of the administration, and therefore our opinion regarding discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors and the Managing Director in any material respect has:

- » undertaken any action or been guilty of any omission which could give rise to liability to the company;
- » in any other way acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and therefore our opinion about this, is to assess with a reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration can be found on the Swedish Inspectorate of Auditors website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the audit report.

The auditor's examination of the ESEF report

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have conducted an examination to determine whether the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the ESEF report) in accordance with Chapter 16, Section 4a of the Swedish Securities Market Act (2007:528) for Biotage AB (publ) for 2021.

Our examination and opinion concern only the statutory requirement.

In our opinion, the ESEF report #[checksum] was created in a format that in all material respects enables uniform electronic reporting.

Basis for opinions

We have conducted the examination in accordance with FAR's recommendation RevR 18 The auditor's examination of the ESEF report. Our responsibilities under this recommendation are described in more detail in the Auditor's Responsibility section. We are independent of Biotage AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for ensuring that the ESEF report has been prepared in accordance with Chapter 16, Section 4a of the Swedish Securities Market Act (2007:528) and for ensuring such internal control that the Board of Directors and the Managing Director determine necessary to prepare the ESEF report without material misstatements, whether due to fraud or error.

Auditor's responsibility

Our task is to express an opinion with reasonable assurance as to whether the ESEF report has in all material respects been prepared in a format that fulfills the requirements set out in Chapter 16, Section 4a of the Swedish Securities Market Act (2007:528), based on our examination.



Audit Report

RevR 18 requires that we plan and perform audit procedures to achieve reasonable assurance that the ESEF report has been prepared in a format that fulfills these requirements.

Reasonable assurance is a high level of assurance, but not a guarantee, that an engagement conducted in accordance with RevR 18 and generally accepted auditing standards in Sweden will always detect material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of the ESEF report.

The audit firm applies ISQC 1 Quality Control for Firms that Perform Audits and Reviews of Financial statements, and Other Assurance and Related Service Engagements and therefore has a comprehensive system for quality control that includes documented guidelines and procedures with respect to compliance with professional ethical requirements, professional standards and applicable legal and regulatory requirements.

The reasonable assurance engagement involves obtaining evidence through various procedures to determine whether the ESEF report has been prepared in a format that enables uniform electronic reporting of the annual accounts and consolidated accounts. The auditor selects the procedures to be carried out by assessing the risks of material misstatements in the reporting, whether due to fraud or error. In carrying out this risk assessment, and in order to design procedures that are appropriate in the circumstances, the auditor considers the elements of internal control that are relevant to the preparation of the document by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of the internal control. The reasonable assurance engagement also includes an evaluation of the appropriateness and reasonableness of the Board of Directors' and the Managing Director's assumptions.

The procedures mainly include a technical validation of the ESEF report, i.e., whether the file containing the ESEF report meets the technical specifications set out in the Commission's Delegated Regulation (EU) 2019/815 and a reconciliation of the ESEF report with the audited annual accounts and consolidated accounts.

In addition, the procedures include an assessment of whether the ESEF report has been marked with iXBRL, which enables a fair and complete, machine-readable version of the consolidated income statement, statement of financial position, statement of changes in equity and cash flow statement.

Öhrlings PricewaterhouseCoopers AB, Torsgatan 21, 113 97 Stockholm, was appointed Biotage AB (publ)'s auditor by the general meeting on April 28, 2021 and has been the company's auditor since April 28, 2021.

Uppsala, April 7, 2022

Öhrlings PricewaterhouseCoopers AB

Leonard Daun
Authorized Public Accountant



Investor Relations

Biotage Investor Relations is responsible for providing relevant information and remaining accessible to shareholders, analysts and media. Biotage has held a number of roadshows and participated in a number of seminars during the year.

Analysts who follow Biotage

Handelsbanken

Berenberg

Danske Bank

Nordea

SEB

Annual accounts

Biotage annual accounts and other financial information is available in English and Swedish at:

<https://www.biotage.com/reports-and-presentations>

2022 AGM

In respect of temporary statutory rules the Board of Directors has decided that the Annual General Meeting 2022 will be conducted by advance voting only, without physical presence of shareholders, proxies and third parties. Biotage welcomes all shareholders to exercise their voting rights at this Annual General Meeting through advance voting, according to the procedure set out in the notice for the Annual General Meeting. The notice was published on 28 March 2022. Information on the resolutions passed at the Annual General Meeting will be published on 28 April 2022, as soon as the result of the voting has been finally confirmed.

Financial calendar

An up-to-date financial calendar is available online on www.biotage.com under Investor Relations

- » April 28 – Annual General Meeting
- » April 28 – Interim report January–March 2022
- » July 19 – Interim report January–June 2022
- » November 3 – Interim Report January–September 2022
- » February 16, 2023 – 2022 Year-end Report





Board of Directors



Torben Jørgensen, Chairman of the Board

Education: B.Sc. in Economics, Copenhagen Business School

Born: 1952

Occupation: Independent Adviser, Consultant, and Director

Other posts: Chairman of the Board of Atlas Antibodies AB and Genovis AB. Board member of Boule Diagnostics, Medistim AS and Advanced Instruments, Inc.

Board service : 3 years

Shares: 310,200 shares

Torben Jørgensen attended all board meetings during the year.



Thomas Eklund, Board Member

Education: MBA, Stockholm School of Economics

Born: 1967

Occupation: Independent Adviser, Consultant, and Director

Other posts: Chairman of the Board of Sedana Medical AB, Immedica AB and Mabtech AB. Board Member of Boule Diagnostics AB, Swedencare AB, and Surgical Science AB

Board service: 16 years

Shares: 33,727 shares, including shares owned through endowment and retirement policies

Tomas Eklund attended nine of the 11 board meetings held during the year.



Peter von Ehrenheim, Board Member

Education: M.Sc. in Mechanical Engineering, KTH Royal Institute of Technology, Stockholm

Born: 1955

Occupation: Entrepreneur

Other posts: Chairman of the Board of Boule Diagnostics AB, Bioworks Technologies AB, Sophion A/S, Grönsö Säteri AB and Färsundet Industri AB.

Board service: 9 years

Shares: 0

Peter Ehrenheim attended 10 out of 11 board meetings during the year.



Karolina Lawitz, Board Member

Education: Master of Science, Uppsala University

Born: 1956

Occupation: Managing Director.

Other posts: Board Member of PeptiCore AB and Red Glead Discovery AB

Board service: 9 years

Shares: 17.000

Karolina Lawitz attended all board meetings during the year.



Mark Bradley, Board Member

Education: Master of Arts, Doctor of Philosophy

Born: 1962

Occupation: Professor

Other posts: Academic

Board service: 3 years

Shares: 0

Mark Bradley attended all board meetings held during the year.



Åsa Hedin, Board Member

Education: M.S. in Biophysics, University of Minnesota, B.S. in Physics, Gustavus Adolphus College, St. Peter, MN, USA

Born: 1962

Occupation: Board Member, Investor

Other posts: Chairperson of the Board of Tobii Dynavox AB and Artificial Solutions International AB. Board Member of Nolato AB, Cellavision AB, C-Rad AB, E Öhman Fonder AB and Industrifonden

Board service: 3 years

Shares: 0

Åsa Hedin attended 10 out of 11 board meetings during the year.



Daniel Menasco, Employee Representative

Education: Ph.D., Chemistry, University of South Carolina

Born: 1977

Occupation: Global Product Manager, Analytical

Other posts: -

Board service: 3 years

Shares: 0

Dan Menasco attended 10 of the 11 board meetings held during the year



Patrik Servin, Employee Representative

Education: Software Engineer

Born: 1973

Occupation: System Architect

Other posts: -

Board service: 1 years

Shares: 0

Patrín Servin has attended all meetings held since he was appointed.



Management



Tomas Blomquist* (1970)

Position: CEO & President

Education: Marketing/
Economics

Other posts: Board member of
Nolato AB

Employment in the Group: 3

Shares owned: 15,000



Maja Nilson* (1979)

Position: Chief Financial
Officer

Education: M.S. Business
Administration, Stockholm
University

Employment in the Group: 0

Shares owned: 0



Lars Bäckman* (1961)

Position: Chief Legal Officer

Education: M.A. in Law ("Juris
Kandidat"). Stockholm
University.

Other posts: Board member of
Chreto A/S

Employment in the Group: 15

Shares owned: 10,000



Jon-Sverre Schanche (1957)

Position: Chief Scientific Officer

Education: PhD University of
Bergen

Employment in the Group: 2

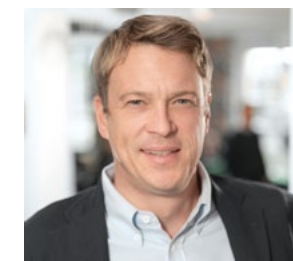


Petra Duprez (1965)

Position: Chief Human
Resources & Sustainability
Officer

Education: B.Sc. Human
Resources. Stockholm
University

Employment in the Group: 2



Olof Nord (1975)

Position: EVP Business
Development

Education: PhD Biotechnology
and M.S. Chemical Engineering
KTH Royal Institute of
Technology

Employment in the Group: 2



Anders Wikström (1973)

Position: EVP Operations.

Education: B.S. CS. Uppsala
University.

Employment in the Group: 19



Raffaella Bombarda (1974)

Position: EVP Global
Marketing.

Education: M.S. Biomedical
Engineering, University of
Bologna

Employment in the Group: 4



Scott Carr (1967)

Position: President, Americas

Education: B.S. Chemistry,
Wingate University.

Employment in the Group: 22



Andreas Juhlin (1974)

Position: President
International

Education: M.S. Industrial
economics Linköping
University

Employment in the Group: 2

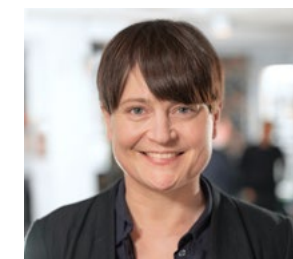


Magnus Nordstedt (1970)

Position: EVP IT &
Digitalization

Education: Electrical and
Computer Science Engineer

Employment in the Group: 20



Lisa Egelrud (1975)

Position: EVP Quality
Assurance Regulatory Affairs

Education: M.S. in Chemical
Engineering Chalmers
University of Technology

Employment in the Group: 1



Glossary

Active Pharmaceutical Ingredient (API)

Active Pharmaceutical Ingredient. The substance in a drug or other product that provides its medicinal effects.

Analytical Chemistry

The branch of chemistry focused on the examination of samples to elucidate their nature, structure, and composition and reveal the identity and amount of any substances contained therein.

Antibodies

Y-shaped proteins in the immune system that bind to specific surface molecules on foreign bodies to activate the body's immune system.

Biomolecules

Molecules of biological origin, such as proteins, lipids, and nucleic acids.

CMO

Contract Manufacturing Organization.

CRO

Contract Research Organization. Contract research organization.

Endotoxin

Substances specifically found in bacterial cells, such as lipopolysaccharides (LPSs) and lipooligosaccharides (LOSs).

Evaporation

The accelerated vaporization of a liquid.

Flash column

A cylinder packed with a solid phase. Used in flash chromatography purification.

Flash chromatography

A method of separating the substances included in a reaction mixture. Depending on their physical characteristics, the substances move at different speeds through a solid phase assisted by the flow of one or more solvents.

Hormones

Molecules that function as messengers between cells or organs in the body and regulate the activity of the organs.

Evaporation

A method of concentrating a substance by allowing the solvent to evaporate.

ISO14001

An international standard for environmental management systems.

ISO 9001

An international standard for quality management systems

Catalyst

A chemical additive that facilitates or speeds up a chemical reaction.

Clinical testing

The process of testing the efficacy of a new drug.

LLE

Liquid Liquid Extraction. A method of separating compounds based on their relative solubility in two different immiscible liquids, usually water and an organic solvent. The process involves extracting a substance from one liquid phase and transferring it into another liquid phase.

Microwave synthesis

A type of synthesis where microwave energy is used to speed up a reaction.

MIP

Molecularly Imprinted Polymers.

Organic Chemistry

The branch of science that deals with the chemistry of carbon-based compounds.

Peptides

Molecules composed of short-chains of amino acids.

Plasmids

Annular DNA molecules with around 5,000 base pairs, often used to produce biomolecules.

Precision medicine

Forms of treatment that are adapted to a patient's unique molecular profile.

Proteins

Macromolecules composed of long-chains of amino acids. Life's molecules.

**Reagent**

A substance that is added during synthesis to transform the starting material into the desired product.

Reaction mixture

A solution in which specific substances are dissolved or suspended to allow a chemical reaction to take place.

Resin

A porous polymer-based material used in chemical processes. Resins can be chemically modified to give them specific properties.

Purification

A process that isolates the substance from impurities.

REACH

Registration, Evaluation, Authorisation and Restriction of Chemicals. An EU regulation (EC 1907/2006) with stipulations that protect both human health and the environment from the potential risks posed by chemicals.

Purification column

The physical unit into which the flash chromatography medium is packed.

RoHS

Restriction of Hazardous Substances. An EU directive (2002/95/EC) that restricts the use of certain heavy metals and flame retardants in electrical and electronic products.

Scavengers

Chemical substances that are added to a reaction mixture to remove or deactivate impurities.

SDS-PAGE

Sodium dodecyl sulfate-polyacrylamide gel electrophoresis. An electrophoresis method used to separate macromolecules, such as proteins, in biochemistry.

SLE

Supported Liquid Extraction. An efficient alternative to traditional LLE, with higher yields, the SLE method is well-suited to automation. To extract a substance, the sample is first absorbed by a solid phase, then eluted using an organic solvent.

SPE

Solid Phase Extraction. A method for separating substances based on the affinity each particular substance has for a solid phase relative to a liquid phase. The same principle applies as for flash chromatography, but on a smaller scale.

Synthesis

The creation of a new substance by chemically combining several different building blocks.

Work-up

A process that removes various by-products and untreated starting materials

AAV (Adeno Associated Virus)

Adeno-Associated Viruses (AAV) vectors are the leading platform for genetic delivery for treatment of a number of different human illnesses.

Gene therapy

A type of treatment for certain conditions where a functional gene is delivered to the cells of an organism to produce a protein that is missing or does not function.

mRNA vaccines

mRNA vaccines contain messenger RNA sequences that encode for proteins (e.g. viral proteins).

Oligonucleotides

Short DNA or RNA molecules with a broad spectrum of applications in genetic testing, research, therapeutic applications and criminology.

PCR testing

PCR (Polymerase chain reaction) testing is a laboratory method used to make many copies of a specific strand of DNA from a sample that contains very small amounts of that DNA. Polymerase chain reaction makes it possible to amplify these strands of DNA so that they can be detected.

CRISPR

CRISPR is a genome editing tool that enables very precise changes to the genome.

Lipid nanoparticles

Lipid nanoparticles are nanodrops of fat molecules. A safe and effective means of delivering mRNA vaccines into cells was developed by packing mRNA into lipid nanoparticles.



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HumanKind Unlimited

